

**FBIS****DAILY REPORT****CONTENTS***China*

Vol I No 235

6 December 1985

## PRC INTERNATIONAL AFFAIRS

## GENERAL

U.S., USSR Urged To Stop Practicing Hegemonism A 1  
Chinese Warship Models at International Forum A 1

## UNITED STATES

ZHONGGUO QINGNIAN BAO Explains Jenkins Bill [29 Nov] B 1

## SOVIET UNION

USSR's Kapitsa Arrives in Beijing 5 December C 1  
Writers Delegation Concludes Visit to USSR C 1  
Soviet Commentator Bovin Criticizes 'Star Wars' C 1

## SOUTH ASIA

Zhao Ziyang Greets Ershad on South Asian Summit F 1  
PRC, Sri Lanka To Expand Trade Cooperation F 1

## WESTERN EUROPE

WEU Assembly Urges Closer Ties With China G 1  
Ji Pengfei Meets Swedish Communist Party Group G 1

## EASTERN EUROPE

CSSR Deputy Premier Leaves for Visit to China H 1  
Trade Protocol for 1986 Signed With Poland H 1  
Li Peng Attends SFRY National Day Reception H 1

## MIDDLE EAST &amp; AFRICA

Further Reportage on PRC Muslims' Visit to Riyadh I 1  
Meet Grand Mufti I 1  
Meet Vice Defense Minister I 1  
Zaire's Mobuto Meets PRC Commerce Minister I 1

## WESTERN HEMISPHERE

Reportage on Visit of Nicaraguan Delegation J 1  
Departs for China J 1  
Meets Qian Liren J 1  
Meets Zhu Qizhen J 1

## PRC NATIONAL AFFAIRS

Peng Zhen, Others Discuss Draft Civil Code	K 1
Further on Peng Zhen	K 2
5-Year Plan To Popularize Legal Knowledge	K 3
LIAOWANG Examines New Youthful PLA Leadership [7 Oct]	K 5
GUANGMING RIBAO on Reform of Economic Structure [16 Nov]	K 7
LIAOWANG on Strategic Policy of Overall Reform [7 Oct]	K 15
Forum Held on Rural Party Construction Work	K 20
LIAOWANG Profiles New Provincial Party Heads [11 Nov]	K 22

## PRC REGIONAL AFFAIRS

## EAST REGION

Jiangsu People's Congress Committee Session Ends	O 1
Zhejiang Official on 1986 Economic, Social Plan	O 1

## CENTRAL-SOUTH REGION

Guangdong Cracks Major Case of Economic Fraud	P 1
Guangzhou PLA Solves Problems in Party Conduct	P 1
Shenzhen's Liang Xiang on Import of Technology	P 2
Henan Runs Law Study Class for Leading Cadres	P 3
Henan Report Alleges Sex Discrimination	P 3

## NORTHEAST REGION

Boat Accident Culprits Sentenced to Death, Prison	S 1
Four Military Subdistricts Established in Jilin	S 1
Liaoning Congress Standing Committee Meeting Ends	S 2

## NORTHWEST REGION

Qinghai Boosts Agricultural Production	T 1
Xian Colleges Mark December 9th Movement	T 1

## TAIWAN

Commentary Notes Causes of PRC Student Unrest	V 1
Editorials Warn of Growing PRC-Nicaragua Ties	V 1
Foreign Ministry on Membership in Asian Bank	V 2
Commentary Denies Existence of Martial Law	V 3

U.S., USSR URGED TO STOP PRACTICING HEGEMONISM

OW060640 Beijing XINHUA in English 0630 GMT 6 Dec 85

[Text] United Nations, December 5 (XINHUA) -- China today urged the United States and the Soviet Union to stop practising hegemonism, but make contributions to peace, security and disarmament with actual deeds.

Addressing the First Committee of the current session of the United Nations General Assembly, which discussed the question of international security today, Chinese Representative Yu Mengjia noted that the tension and confrontation between the two military powers and the two major military blocs and the escalating arms race showed the "shadow of a new world war has not been really dispersed."

At their recent summit meeting, Yu said, the U.S. and Soviet leaders expressed the willingness to improve their relations. "This is a development to be welcomed," he said.

The Chinese representative stressed: "We hope that in the future, the United States and the Soviet Union will truly give up their pursuance of military supremacy, enter into earnest negotiations and reach agreements without prejudice to the interests of other countries on such issues as drastic reduction of their armaments, preventing the extension of the arms race to outer space and cessation of intervention in conflicts at the hot spots areas, so as to facilitate the relaxation of international tension."

Yu said that in the final analysis, the preservation of peace and insurance of security depended on the joint endeavors of all the countries and peoples of the world. "It is evident that the days when a few powers could dominate the world are gone forever and that the forces making for peace have outgrown the factors for war," he said, adding, "this is where the hope of mankind lies."

CHINESE WARSHIP MODELS AT INTERNATIONAL FORUM

OW050946 Beijing XINHUA in English 0845 GMT 5 Dec 85

[Text] Shanghai, December 5 (XINHUA) -- Models of Chinese guided missile destroyers and escort vessels are on display at an exhibition being held as part of the third international maritime technical forum which opened here Wednesday. One hundred and eighty firms from 22 countries and regions are represented at the forum and exhibition.

Joint sponsors are the Shanghai Society of Naval Architecture and Marine Engineering, Cahners Exposition Group of the United States, Marintec Press (Far East) and Lloyd's of London Press of Britain. Companies taking part include Mitsubishi Heavy Industries of Japan, Krupp Mak Maschinenbau GmbH of Federal Germany and Racal Electronics of Britain.

Other Chinese exhibits include pictures of ground and mooring mines, and models of the antarctic expedition ship, S.S. Xiangyanghong 10, an experimental ship that took part in carrier-rocket tests, a state gold-medal-winning ocean-going freighter, a 115,000-deadweight-tonnage oil tanker being built at Dalian shipyard and a semi-submersible rig. Foreign firms are displaying exhibits showing shipbuilding and painting, harbor dredging and electronic equipment. Some 87 papers on harbors, shipping, dredging and offshore engineering will be presented at the forum.

ZHONGGUO QINGNIAN BAO EXPLAINS JENKINS BILL

HK051438 Beijing ZHONGGUO QINGNIAN BAO in Chinese 29 Nov 85 p 3

["Answers to Readers' Questions" column by Wei Bo: "The 'Jenkins Bill' and Jenkins"]

[Text] A reader in Shanxi, Zhang Min, wrote a letter asking these questions: What are the contents of the "Jenkins bill," which has been frequently referred to by newspapers? Who is Jenkins?

The "Jenkins bill," that is, the U.S. "1985 Textile and Apparel Trade Enforcement Act," is also called "Senate Bill No 680." This bill was proposed by U.S. Senator Jenkins in March this year and was approved by the House of Representatives on 10 October and by the Senate on 13 November. After the Senate approved the bill, a White House spokesman said that President Reagan's stand to veto any bill restricting textile and apparel imports has not changed. According to the U.S. Constitution, a bill vetoed by the President must be put to vote again in the Congress, and the Congress needs a two-thirds majority to override the President's veto. As to what will happen to the "Jenkins bill," there is no conclusion so far.

The "Jenkins bill" is aimed at drastically cutting U.S. textile imports from Asia. The bill provides: For countries and regions whose textile and apparel exports to the United States account for 1.25 percent or more of total U.S. imports, the quotas of textile and apparel imports from these countries and regions for 1984 were calculated on the basis of the textile and apparel imports in 1980 at an annual increase rate of 6 percent, and the quotas of textile and apparel imports from these countries and regions for 1985 and thereafter will be calculated on this basis at an annual increase rate of 1 percent. The bill tries to carry a step further the existing limits on the variety of textiles imported. Apart from textile quotas, limitations will be imposed on fabrics made of cotton, wool, chemical fibers, silk, and flax. If formally approved by the U.S. Congress, the bill would mean serious economic losses for many textile exporting countries and regions in Asia. For example, Indonesia, Thailand, the Philippines, Malaysia, Singapore, India, Japan, and China would have to reduce their textile and apparel exports to the United States by 80 percent, thus resulting in an annual loss of \$3.5 billion. Therefore, the announcement of the bill, which is aimed at practicing trade protectionism, immediately aroused widespread dissatisfaction among developing countries, in particular among Asian countries.

Who is Jenkins? Edgar Jenkins, 52, is a Democratic senator. He was born in Georgia in 1933. From 1952 to 1955, he was with the U.S. Coast Guard. He graduated from the School of Law at the University of Georgia in 1959 and worked for the Georgia State Court in the same year. From 1959 to 1962, he was executive secretary for former U.S. Senator Landrum. From 1962 to 1964, he was assistant attorney in charge of criminal cases in northern Georgia. He entered Congress in 1967. He was unknown to the public until he proposed a bill in March this year representing the growing trade protectionist feeling in the United States, which made him a "political star" overnight.

USSR'S KAPITSA ARRIVES IN BEIJING 5 DECEMBER

OW050738 Beijing XINHUA in English 0731 GMT 5 Dec 85

["Soviet Vice-Foreign Minister Arrives in Beijing" -- XINHUA headline]

[Text] Beijing, December 5 (XINHUA) -- Mikhail Stepanovich Kapitsa, vice-foreign minister of the Soviet Union, arrived here this morning. His visit to China is at the invitation of Qian Qichen, Chinese vice-foreign minister.

Welcoming him at the airport were Qian Qichen, and I.S. Shcherbakov, Soviet ambassador to China.

WRITERS DELEGATION CONCLUDES VISIT TO USSR

OW050235 Beijing in Russian to the USSR 1800 GMT 4 Dec 85

[Text] Having completed a 2-week visit to the Soviet Union, a delegation of Chinese writers headed by Shao Hua, member of the Secretariat of the Chinese Writers' Association, left Moscow for home on 3 December.

During its stay in the Soviet Union, the delegation visited Moscow, Leningrad, and Tbilisi, and met with responsible officials of the USSR Union of Writers. Their Soviet colleagues gave the Chinese writers a warm reception. Chinese and Soviet writers expressed readiness to increase contacts and expand exchanges and cooperation in the future between the writers of the two countries.

SOVIET COMMENTATOR BOVIN CRITICIZES 'STAR WARS'

OW051012 Beijing XINHUA in English 0728 GMT 5 Dec 85

[Text] Moscow, December 4 (XINHUA) -- Soviet Political commentator Aleksandr Bovin said here today that the upcoming Soviet-U.S. fourth round of talks on arms control in Geneva next January provides the two countries with a realistic possibility of seeking an agreement acceptable to both sides.

Since the Soviet Union and the United States shared some common points at the Geneva summit despite their divergences, hopes have appeared in improving Soviet-U.S. relations, he said in an article in today's IZVESTIYA. Now the task is to put the "Geneva spirit" into "Geneva acts," he stressed.

Bovin insisted that the U.S. "star wars" plan is the "major obstacle" to the improvement of Soviet-U.S. relations. He described the U.S. adherence to the "star wars" program as a time bomb ticking on now.

ZHAO ZIYANG GREETES ERSHAD ON SOUTH ASIAN SUMMIT

OW051116 Beijing XINHUA in English 1104 GMT 5 Dec 85

[Text] Beijing, December 5 (XINHUA) -- Chinese Premier Zhao Ziyang today sent a telegram to Bangladesh President Hussain Mohammad Ershad, offering warm congratulations on the summit meeting of South Asian countries to be held in Dhaka on December 7 and 8. The Chinese premier hailed the convening of the summit as "an event of great significance in the South Asian region."

The heads of state and government of seven South Asian nations -- Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka -- will formally launch at the meeting the forum of the South Asian Regional Cooperation (SARC).

China is delighted to see that, thanks to the joint efforts of the seven countries, gratifying progress has been made in the SARC initiated by Bangladesh, Zhao said. He added that the SARC is not only in the interest of the peoples of all the South Asian countries but is also conducive to peace of the region.

"As a close neighbor and friend of the South Asian countries," Zhao said, "China sincerely hopes that all the South Asian countries will live in amity and friendship, enhance cooperation of mutual benefit and achieve common development so as to bring prosperity to the peoples of this region, maintain peace and stability of South Asia and contribute to South-South cooperation." He expressed the hope that the summit will be crowned with success.

PRC, SRI LANKA TO EXPAND TRADE COOPERATION

OW051342 Beijing XINHUA in English 1316 GMT 5 Dec 85

[Text] Colombo December 5 (XINHUA) -- Sri Lanka and China agreed here today to further their trade and economic cooperation in the coming years. This was stated in the minutes signed here by Ronnie de Mel, Sri Lankan minister of finance and planning and Lu Xuejian, leader of the Chinese government economic and trade delegation.

The minutes were agreed during the first week-long session of the Sri Lanka-China Joint Committee for Economic and Trade Cooperation. The committee was set up following an agreement reached between Sri Lanka and China in May last year during Sri Lankan President Junius Jayewardene's visit to China.

According to the minutes, Sri Lankan and Chinese officials had reviewed bilateral economic and trade cooperation and explored new area of cooperation at the session. They agreed that "potential still exists for further expansion of trade between the two countries" and also agreed "to identify and promote trade in new commodities."

Officials of the two countries were also ready to expedite the mutual beneficial co-operation through contracting projects, technological services and joint venture. (?Among) the areas of economic cooperation discussed were agriculture, animal husbandry, fisheries, industry and handicrafts.

WEU ASSEMBLY URGES CLOSER TIES WITH CHINA

OW041955 Beijing XINHUA in English 1836 GMT 4 Dec 85

[Text] Paris, December 4 (XINHUA) -- The Western European Union (WEU), noting China's growing role in the world, today called for more exchanges "of all kinds" between Western Europe and China.

A recommendation adopted today at a plenary session of WEU Assembly pointed to the "major part played by China in the world balance and the maintenance of peace and the even more important role it will have to play in the near future." "The interests of China and of Western Europe converge in many areas and may develop independently of ideological and institutional differences," it said.

The WEU Assembly welcomed "the development of the Chinese economy and of exchanges of all kinds between China and Western Europe," it noted. It urged member nations to develop their "political, technological and scientific, commercial and cultural relations" with China, whose major aim is for "economic and social development."

Toward this end, the document proposed that the member states increase trade between China and Western European countries, develop knowledge of the Chinese culture in Western Europe, and facilitate cultural exchanges particularly by establishing European cultural institutes in China. It recommended the WEU support all possible initiatives "to ensure that current negotiations on the reduction of nuclear weapons also take the Far East into consideration so as to avoid weapons deployed in Europe being moved towards that region." It also calls for study and assess [as received] by the WEU of the extent to which COCOM restrictions hinder the continued development of China.

Set up in October 1954, the WEU groups France, Britain, Belgium, the Netherlands, Luxembourg, Federal Germany and Italy. It has served as a forum for discussion of defense issues.

JI PENGFEI MEETS SWEDISH COMMUNIST PARTY GROUP

OW041803 Beijing XINHUA in English 1505 GMT 4 Dec 85

[Text] Beijing, December 4 (XINHUA) -- Ji Pengfei, a Standing Committee member of the Central Advisory Commission of the Chinese Communist Party, met with a parliamentary delegation from the Left Party-Communists of Sweden here tonight. The delegation is led by Bertil Mabrink, vice-chairman of the Left Party-Communists and chairman of the Left Party group in the Swedish parliament.

Ji, also a state councillor, welcomed the visitors, saying that the exchange of visits between the Chinese Communist Party and the Swedish Left Party-Communists promotes their friendly relations. Bertil Mabrink said that the two parties attach great importance to defending their own independence.

Among those present on the occasion was Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee. The meeting was followed by a banquet Ji gave for the delegation. The visitors arrived here November 26 for a goodwill visit at the invitation of the Chinese Communist Party.

CSSR DEPUTY PREMIER LEAVES FOR VISIT TO CHINA

OW051658 Beijing XINHUA in English 1648 GMT 5 Dec 85

[Text] Prague, December 5 (XINHUA) -- Czechoslovak Vice Premier Jaromir Obzina left here today for China on a six-day visit which will focus on strengthening economic ties between the two countries.

Obzina, who is also chairman of the National Committee for Science, Technology and Investment Development, told XINHUA on the eve of his departure that his mission is to carry forward the existing traditional good relations between Czechoslovakia and China. At the same time, efforts will be made to advance the Sino-Czechoslovak economic and scientific-technical relations in the interest of both sides on a realistic basis.

After reviewing the economic, trade and scientific-technical cooperation between the two countries in recent years, Obzina said his delegation holds out great hopes for the upcoming 27th session of the Sino-Czechoslovak Joint Committee for Scientific and Technical Cooperation to be held in Beijing. The results of the meeting, he believed, would contribute to the development of all-round relations, scientific-technical, trade and political, between the two countries.

The Czechoslovak vice premier said bilateral trade has grown at a rate of about 30 percent a year in the past few years and covered more products including technological equipment and plants. He expressed the hope that relations between Czechoslovakia and China would develop fully in various areas on a long-term and stable basis.

TRADE PROTOCOL FOR 1986 SIGNED WITH POLAND

OW051655 Beijing XINHUA in English 1522 GMT 5 Dec 85

[Text] Beijing, December 5 (XINHUA) -- A 1986 goods exchange and payments protocol was signed between China and Poland here today. The signatories were Chen Jie, deputy to the Chinese minister of foreign economic relations and trade, and Antoni Karas, Polish undersecretary of state at the Ministry of Foreign Trade, on behalf of their respective governments. According to the protocol, the trade volume between the two countries is expected to further grow in 1986.

Present at the signing ceremony were Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin and Polish Ambassador to China Zbigniew Dembowski.

Prior to the ceremony, Zheng had a meeting with the Polish delegation. Both sides expressed satisfaction with the development of trade between the two countries and discussed new avenues to promote their trade relations.

LI PENG ATTENDS SFRY NATIONAL DAY RECEPTION

OW290912 Beijing XINHUA in English 0803 GMT 29 Nov 85

[Text] Beijing, November 29 (XINHUA) -- Yugoslav Ambassador to China Zvone Dragan gave a reception at the embassy here this morning in celebration of the republic day of Yugoslavia. Among the guests attending the reception were Li Peng, member of the Political Bureau of the Central Committee of the Chinese Communist Party (CPC) and vice-premier of the State Council, and Qian Liren, head of the International Liaison Department of the CPC Central Committee. Diplomatic envoys of various countries to China were also present.

FURTHER REPORTAGE ON PRC MUSLIMS' VISIT TO RIYADH

## Meet Grand Mufti

OW020502 Beijing XINHUA in English 0245 GMT 2 Dec 85

[Text] Kuwait, December 1 (XINHUA) -- Saudi Arabia's Grand Mufti 'Abd al-'Aziz ibn al-Baz met with visiting Chinese Muslim delegation headed by Ismail Amat, chairman of the Xinjiang Uygur Autonomous Region, in Riyadh Saturday.

The grand mufti had a friendly talk with the 12-member Chinese Muslim delegation who came from Xinjiang, China's biggest region where Muslims live in compact community.

After its arrival in Jiddah on November 22, the Chinese Muslims went to Mecca and Medina for an Omra visit. They also called on 'Abdullah al-Nasif, secretary general of the World Islamic League. During their talk, Ismail Amat on behalf of the Chinese Islamic Association extend an invitation to al-Nasif to visit China. Al-Nasif accepted the invitation and said that he would go to China as early as possible.

## Meet Vice Defense Minister

OW051111 Beijing XINHUA Domestic Service in Chinese 1424 GMT 3 Dec 85

[Text] Kuwait, 3 Dec (XINHUA) -- Riyadh: Prince 'Abd al-Rahman ibn 'Abd al-'Aziz, vice minister of defense and aviation of the Kingdom of Saudi Arabia, met with the Chinese Muslim goodwill pilgrimage delegation headed by Ismail Amat, chairman of the Xinjiang Uygur Autonomous Region, in Riyadh, capital of Saudi Arabia, on 2 December. He had a cordial conversation with members of the delegation.

Prince 'Abd al-Rahman welcomed the Chinese Muslim delegation and expressed the hope that the delegation would stay a few more days and see more places so as to further mutual understanding between Saudi Arabia and China. He hoped that more Muslim brothers from China and other Chinese friends will visit Saudi Arabia.

Chinese delegation head Ismail thanked Prince 'Abd al-Rahman for his friendly sentiments toward the Chinese Muslims and the Chinese people, and asked the prince to convey the Chinese Muslim's best regards and wishes for the Muslims of Saudi Arabia.

The Chinese delegation left Riyadh for a visit in eastern Saudi Arabia on the afternoon of 2 December. The delegation arrived in Saudi Arabia for a pilgrimage and visit on 22 November.

ZAIRE'S MOBUTU MEETS PRC COMMERCE MINISTER

OW280846 Beijing XINHUA in English 0745 GMT 28 Nov 85

[Excerpt] Beijing, November 28 (XINHUA) -- News in Brief from Africa:

Kinshasa: Zairean President Mobutu Sese Seko received Chinese Minister of Commerce Liu Yi here on Wednesday evening before his departure for home after attending on behalf of the Chinese Government the celebrations of the 20th anniversary of the second Republic of Zaire.

On the occasion, Liu Yi conveyed the greetings of the Chinese leaders to the president who also asked him to pass on his sincere regards to the Chinese leaders.

REPORTAGE ON VISIT OF NICARAGUAN DELEGATION

## Departs for China

OW010850 Beijing XINHUA in English 0747 GMT 1 Dec 85

[Text] Managua, November 30 (XINHUA) -- A Nicaraguan party and government delegation left here for China this morning on a visit at the invitation of the Chinese Communist Party and government.

Henry Ruiz, member of the National Direction of the Sandinista National Liberation Front and minister of external cooperation, and Foreign Minister Miguel d'Escoto are leading the delegation. It is the first high-level Nicaraguan group to visit China since the Sandinistas' victory in 1979. D'Escoto, who is now in New Zealand, will join the group in Beijing.

A communique from the Foreign Ministry says the delegation will start the official visit on December 5. Talks will cover issues of common interest and the world situation.

## Meets Qian Liren

OW051614 Beijing XINHUA in English 1604 GMT 5 Dec 85

[Text] Beijing, December 5 (XINHUA) -- Qian Liren, head of the International Liaison Department of the Chinese Communist Party Central Committee, held talks with a Nicaraguan party and government delegation here this afternoon and evening. This first senior delegation from Nicaragua arrived here earlier this afternoon. It is led by Henry Ruiz, member of the National Direction of the Sandinista National Liberation Front and minister of external cooperation, and Foreign Minister Miguel d'Escoto. It was learnt that both sides exchanged views on bilateral relations and the situation in Central America in a warm, candid and friendly atmosphere.

Present on the occasion were Zhu Liang, deputy head of the International Liaison Department of the CPC Central Committee; Zhu Qizhen, vice-foreign minister; and Chen Jie, deputy to the minister of foreign economic relations and trade. The guests were honored at a banquet given by Qian Liren this evening for the delegation.

## Meets Zhu Qizhen

OW060906 Beijing XINHUA in English 0902 GMT 6 Dec 85

[Text] Beijing, December 6 (XINHUA) -- China's Vice-Foreign Minister Zhu Qizhen discussed bilateral relations here today with a visiting Nicaraguan party and government delegation.

The Nicaraguan delegation, which arrived here yesterday, is led by Henry Ruiz, member of the National Direction of the Sandinista National Liberation Front and minister of external cooperation, and Miguel d'Escoto, minister of foreign affairs.

PENG ZHEN, OTHERS DISCUSS DRAFT CIVIL CODE

OW050448 Beijing XINHUA Domestic Service in Chinese 1422 GMT 4 Dec 85

[By reporter He Ping]

[Text] Beijing, 4 Dec (XINHUA) -- One of China's important laws -- the draft General Principles of the Civil Code -- was once again brought up today for discussion and suggestions by legalists and experts of the relevant departments from all parts of the country after being revised several times.

Peng Zhen, chairman of the NPC Standing Committee, said today: This is a good organizational example of linking theory with practice and exercising democratic centralism in the field of legislation -- a practice that should be continued in the future.

On the motion of Chairman Peng Zhen, the Law Committee of the NPC and the Commission of Legislative Affairs of the NPC Standing Committee had jointly sponsored a discussion meeting on the draft General Principles of the Civil Code. More than 180 legalists from various institutions of higher learning and research institutes in the country and the comrades of the departments concerned at the central and local levels were invited to attend the discussion meeting, which was expected to last about 7 days.

Today's meeting was held at the Great Hall of the People.

At the meeting, Peng Zhen delivered a speech. He said: To carry out legislative work, it is necessary to act according to the actual conditions in China and combine theory with practice in solving China's actual problems. Efforts must be made to carry out legislative work with a high degree of democracy and centralism. Vice Chairman Peng Chong presided over today's meeting and delivered a speech. He said: In the course of drafting the General Principles of the Civil Code, we invited legalists and the comrades of the departments concerned to attend the various forums. At the same time we printed the draft principles and sent them to various provinces, autonomous regions and municipalities under the direct administration of the central government, to the various departments concerned at the central level, and the various institutions that teach law and to various research institutes. We sought to extensively solicit opinions from all quarters and submitted them to the 13th Session of the Sixth NPC Standing Committee for examination and approval after repeatedly revising them. We have once again invited the legalists and those comrades who are actually doing the work to attend discussion meetings. Our purpose is to combine theory with practice and carry out discussions systematically and extensively and in an overall manner. It is hoped that those attending this discussion meeting will say what is on their minds, freely air their views, draw on collective wisdom, and lay a good foundation in further revising the draft General Principles of the Civil Code. He said: To revise the draft General Principles of the Civil Code, we must maintain close contact with reality and conform with the basic interests of the broad masses of people. It is necessary to stipulate in the law those experiences that are fairly matured, while temporarily refraining from stipulating those experiences that are not yet matured. At the same time, we must make the law easy to understand when we write the law so that the masses can easily understand it and consciously enforce it.

Vice Chairman Chen Pixian also delivered a speech at the meeting. He pointed out: The formulation of the General Principles of the Civil Code is an important step in gradually improving the civil laws and the socialist legal system. It is necessary to convene this discussion meeting.

Through this meeting, we will be able to hear the views from all quarters, further improve the General Principles of the Civil Code, maintain close ties with the masses and perform a still better job in promoting legislative work from now on. Through this meeting, we will be able to adhere to the mass line, pool the wisdom of the masses and train more qualified people in the judicial field. He said: After the meeting, those who have any ideas or suggestions with regard to any particular law may submit them at any time to the NPC Standing Committee, exchange their experiences, and study hard to promote socialist democracy and develop the legal system.

Also attending the discussion meeting were Zheng Tianxiang, president of the Supreme People's Court, responsible persons of the departments concerned, Liu Fuzhi, Wang Hanbin, Zhang Youyu, Song Rufen; and members of the Central Advisory Commission Wu Xinyu and Gao Kelin. Gao Kelin delivered a speech at the meeting.

#### Further on Peng Zhen

OW050342 Beijing XINHUA Domestic Service in Chinese 1602 GMT 4 Dec 85

[Text] Beijing, 4 Dec (XINHUA) -- Chairman Peng Zhen said today at a discussion meeting on the General Principles of the draft Civil Code held by the Law Committee of the NPC and the Legislative Affairs Commission of the NPC Standing Committee: In legislative work, we should persistently integrate theory with practice and ensure a high degree of centralism on the basis of a high level of democracy.

He said: When we were enacting the 1954 Constitution and the new 1982 Constitution, we invited experts of all specialties and comrades with rich work experiences to participate in the process, and we revised the drafts after repeated discussions. Now, many experts and workers with relevant specialties are here discussing matters concerning the revision of the draft General Principles of the Civil Code. This is a very good way to integrate theory with practice and to ensure democratic centralism in legislative work, and we should continue to adopt this method in the future. Generally, the comrades actually doing the work have rich practical experience, but they are busy with their day-do-day work and do not have time to study theory well; on the other hand, most of the comrades doing theoretical research have less contact with reality and therefore cannot integrate theory with practice very well. The same problem exists in the legislative work and it is a fundamental shortcoming. What should we do? In the course of enacting a law, we should invite experts and actual workers from all quarters to a discussion so that theory can be closely integrated with practice. In this way, we will be able to compensate for some inadequacies in this area. Legislation should consider China's reality and aim at solving China's actual problems, and should be tested by social practices. Law, with its own system, is a branch of science. A law should not contravene other laws, particularly the Constitution. We should draw on foreign experience and our own historical experience in consideration of China's reality and apply useful experience in current legislative work.

Chairman Peng Zhen said: In the work of the NPC Standing Committee and in enacting a law, we should ensure a high degree of centralism on the basis of a high level of democracy and follow the mass line by getting the opinions of the masses and referring them to the masses. He said: Our country is a socialist country in which we can achieve a high level of socialist democracy because we have already wiped out the system of exploitation and the people of various nationalities share the same fundamental interests. The fact that only by emancipating all mankind can the working class achieve its own complete emancipation, and the fact that the Communist Party wants to serve the people wholeheartedly and seeks no special interest are the bases for us to achieve a high level of democracy. We must achieve a high level of democracy, because only on the basis of a high level of democracy can there be a high degree of centralism.

The broad masses of cadres and people must conscientiously comply with the law. It will be easier to ensure the compliance if the law is enacted with a consensus of the majority. Even though the people share the same fundamental interests, there is still a variety of contradictions. Certain legislative actions are designed to serve as a norm for reasonably reconciling the contradictions. What is the basis for the norm? The settlement of contradictions in social life or economic life among organizations and individuals must not violate the Constitution and the fundamental interests of the people of various nationalities. It is not easy to set the norm. Therefore, we must be prudent when we enact a law. We should solicit opinions from all quarters, hold repeated deliberations, and constantly pay attention to social practices. The General Principles of the Civil Code is an important basic law. Please express your views fully and freely, seriously study, and conduct scientific discussions. In this way, we will ensure that the General Principles of the Civil Code conforms more to reality and is well-conceived.

#### 5-YEAR PLAN TO POPULARIZE LEGAL KNOWLEDGE

OW050541 Beijing XINHUA Domestic Service in Chinese 0810 GMT 4 Dec 85

[Excerpts] Beijing, 4 Dec (XINHUA) -- Excerpts of the "5-Year Plan for Popularizing Legal Knowledge Among All Citizens" formulated by the Propaganda Department of the CPC Central Committee and the Ministry of Justice:

1. Who will receive legal education, contents and requirements for popularizing legal knowledge?

Legal knowledge will be popularized among all citizens, including workers, peasants (herdsmen and fishermen), intellectuals, cadres, students, servicemen, other laboring people, and urban residents, who are capable of receiving education.

The basic laws to be popularized are: China's Constitution, Criminal Law, Law on Criminal Procedure, Law on Civil Procedure (tentative), Marriage Law, Inheritance Law, Law on Economic Contracts, Military Service Law, Regulations on Security Control and Penalties, and other legal knowledge that concerns large number of citizens.

The main points for popularizing legal knowledge are:

The Constitution: the role and functions of China's Constitution; the fundamental system and tasks of our state; the citizens basic rights and obligations; the organization, powers, and principles of activities of state organs; and safeguarding constitutional dignity and guaranteeing the implementation of the Constitution as the sacred duty of all citizens.

The Criminal Law: the objectives of China's Criminal Law; lawbreaking and crime; appropriate defense and emergency flight from danger; categories of penalties and crimes; the principle of combining severe punishment with lenient treatment; and using criminal law as a weapon to actively struggle against criminal offenders.

The Law of Criminal Procedure: the objectives of China's Criminal Procedure Law; the principles and system of criminal procedures; and the right and obligation of every citizen to participate in litigious activities according to law.

The Law on Civil Procedure (tentative): the objectives of China's Civil Procedure Law; the rights and obligations of participants in lawsuits; the jurisdiction over and formalities of civil procedures; and how to file complaints in civil cases.

The Marriage Law: The major principles of China's Marriage Law; the conditions for marriage; marriage registration; the conditions for divorce and principles for handling divorce; socialist family relationship; and the need to struggle against lawbreaking and criminal activities related to marriage and family affairs.

The Inheritance Law: the right to inheritance and inherited property; inheritance by law and by will; and the handling of bequests.

The Law on Economic Contracts: the role of the Economic Contracts Law; the formulation, implementation, changes, and cancellation of economic contracts; responsibilities in case of violation of economic contracts; mediation and arbitration of dispute in economic contracts; and safeguarding the solemnity of economic contracts and earnestly honoring contracts as the obligation of all parties concerned.

The Military Service Law: China's current military service system; conscription; active duty and reserve personnel; the militia; citizens obligation to perform military service and join militia organizations according to law; and preferential treatment for active duty military personnel and their placement after demobilization.

Regulations on Security Control and Penalties: the nature and role of security control and penalties in China; behavior that violates security control; and penalties for behavior in violation of security control as well as the procedures for determining the penalties.

All localities and units may stress any law mentioned above, depending on their local situations and on who will receive legal education. Furthermore, all localities should also take into consideration the needs of different regions and the people to receive legal education and selectively study other related legal knowledge, such as the Law on Regional Autonomy of Nationalities, the Forestry Law, the Environmental Protection Law (tentative), the Law on Joint Ventures with Chinese and Foreign Investments, the Patent Law, the Law on Protection of Cultural Relics, the Food Hygiene Law, and taxation laws.

All citizens capable of receiving education should actively take part in the activities to popularize legal knowledge. Legal knowledge will be popularized chiefly among cadres, leading cadres in particular, and youngsters. Leading cadres at all levels should acquire more legal knowledge and master it more thoroughly. In addition to the main points mentioned above, they should learn some basic theories in jurisprudence and knowledge of economic laws and should familiarize themselves with the laws and decrees related to their own field of work. In popularizing legal knowledge among youngsters, it is necessary to proceed step by step, leading them on gradually to a deeper understanding of the law and laying a solid groundwork for them.

## 2. Methods for popularizing legal knowledge.

Legal knowledge should be popularized in close connection with the realities by adopting different approaches.

The important role of newspapers, publications, and radio and television in popularizing legal knowledge should be brought out. Special personnel should be assigned to newspapers and broadcasting and television stations to take charge of this matter. The special columns or programs on publicizing the legal system should be run well. More propaganda reports on the legal system should be published and the effect of propaganda and education on the legal system should be enhanced. Active efforts to compile, publish, and distribute books on popularizing legal knowledge should be made.

The purpose of popularizing legal knowledge should be to realize the party's general tasks and goal in the current stage and to serve socialist economic construction and reform. Legal knowledge should be popularized in close coordination with production and work, with comprehensive efforts to maintain social order, with ideological and political work, and with the education in the "four have's."

### 3. The process of popularizing legal knowledge.

The work of popularizing legal knowledge throughout the nation will be implemented in stages and in groups. After legal knowledge has been popularized among the people group by group, experiences will be summed up and the results evaluated.

#### LIAOWANG EXAMINES NEW YOUTHFUL PLA LEADERSHIP

HK050918 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 2, 7 Oct 85 pp 11-12

[Article by Zhang Chunting: "Making the Leading Squad of the Chinese Army Younger in Average Age"]

[Text] Reorganization of the top leadership of the Chinese PLA has been completed. The recent reorganization of the top leadership of the military regions has been carried out in line with the policy of promoting younger people with knowledge and special skills.

At a forum of the Central Military Commission last year, Deng Xiaoping pointed out: The leading squad of the Army must take the lead in reducing the average age and doing a good job of reorganization.

In line with requirements and arrangements by the CPC Central Committee and the Central Military Commission, leading groups of the General Staff Department, the General Political Department, the General Logistics Department, and the National Defense Scientific and Technological Commission were reorganized in the first quarter of this year. Later, leading groups of the Navy, Air Force, 2d Artillery Corps, and various military regions were successively reorganized.

#### Membership of the Top Leadership Cut in Half

Deng Xiaoping has said: Organization of the Army must be strict. The method of organization can be described as something associated with a law that must be strictly observed.

The recent reorganization of top-level leading cadres was resolutely guided by the principles governing an establishment. In accordance with the decision of the enlarged meeting of the Central Military Commission this year, 11 existing military regions -- Beijing, Shenyang, Lanzhou, Urumqi, Jinan, Nanjing, Fuzhou, Guangzhou, Wuhan, Chengdu, and Kunming -- were integrated into seven military regions: Beijing, Shenyang, Lanzhou, Jinan, Nanjing, Guangzhou, and Chengdu. The number of leaders of the 7 military regions is more than 50 percent less than that of the original 11. The number of people at the three general departments placed in auxiliary posts was also reduced from six or seven to three or four. The total leading group membership was cut 23.8 percent, compared with before.

#### Age Groups Arranged in the Echelon

In line with the view put forth by Comrade Deng Xiaoping that the top leadership of the Army should be manned in keeping with the "six-five-four" requirements, top-level leading cadres now account for given proportions of people in their sixties, fifties and forties. Except for a small number of veteran cadres retained as participants in the revolution in the period of the Red Army, most are cadres who joined the ranks during the anti-Japanese war, or the war of liberation, or after liberation. They are mostly in the 40-50 age group, with only a small number exceeding 60. Thus, the age mix of the top-level leadership cadres was initially formed into an echelon.

Compared with before, the average age of leading group members in military regions has dropped by 8 years. Of the newly appointed top leadership in military regions, there are commanders at age 51 or 52. These cadres are mostly from lower levels, having acted before as commanders at the platoon, company, battalion, regimental, division and army levels, and being relatively familiar with Army conditions and relevant work.

The average age of the newly-appointed leading cadres of the three general departments and the National Defense Scientific and Technological Commission has been reduced by 10.6 years, compared with before. The new leading groups of the three general departments have respectively a leading cadre in his forties, the youngest of these cadres being 42.

#### A Great Improvement in the Mix of Knowledge

Leading cadres at and above the military region level all now have an education above the senior middle school or technical secondary school level. Ninety-one percent of the members of the leading groups of the seven military regions have pursued higher studies in PLA colleges and schools. Of them, 50.9 percent have an institute of higher learning or college education.

Of the members of the leading groups of the three general departments after reorganization, those with institute of higher learning or college education account for 80 percent. All members of the leading group of the National Defense Scientific and Technological Commission have an education equivalent to that of an institute of higher learning. Some of the leading cadres were originally scientific and technical personnel in given fields. For instance, of the members of the leading group of the National Defense Scientific and Technological Commission, two are postgraduates and one is a holder of a degree of an assistant doctor in science and technology earned in the early 1960's.

All military cadres of the leading group of the Air Force have records of training in aviation schools and are specialized technical cadres with backgrounds as pilots. The top military commanders of the Navy are all relatively well trained with professional knowledge and skills in operations above and below the water surface, aviation, and so forth.

#### A Relatively Great Store of Actual Work Experience

All cadres newly assigned to leading groups have been selected in line with the principle calling for both ability and political integrity. Attention has been given not only to scholastic qualifications, but actual work ability. Most of these cadres have been tested in war. Even most young cadres who joined the ranks after the founding of New China have received combat training. They combine actual work experience with actual fighting experience. Some of them once directed operations at the regimental, division, or army level.

Many have records for meritorious service during wartime. Air Commander Wang Hai is an especially well-known combat hero. During the Korean war he won a Special-Class Merit Citation and a Class-I Merit Citation and earned the title of "Class-1 Combat Hero." An aviation group led by him successfully shot down and damaged 15 enemy airplanes. He alone shot down and damaged nine enemy planes. For the past 30 years or so, he has never complained about his work, whether as army commander, military region Air Force commander, or deputy Air Force commander.

The new leading groups of the Chinese Army are all down-to-earth workers. Members of the leadership of various military regions have been selected from throughout the Army. Of the members of the leading group of the Chengdu Military Region, except for two who came from the military region, all were transferred from other military regions. Such a mixture results in exchanged experiences and learning from the strengths of others.

#### GUANGMING RIBAO ON REFORM OF ECONOMIC STRUCTURE

HK030843 Beijing GUANGMING RIBAO in Chinese 16 Nov 85 p 3

[Article by Fang Gongwen: "Have a Correct Understanding About Some Phenomena in the Current Reform of the Economic Structure"]

[Text] Following the several years of preparations and experiments after the 3d Plenary Session of the 11th CPC Central Committee, we have gradually conducted the reform of the urban economic structure in an all-round way since the 3d Plenary Session of the 12th CPC Central Committee. Although we are later than some other socialist countries in restructuring the economy, the progress and intensity of our reform have been quite spectacular. In the course of our reform, we have not made any serious deviations nor have we taken a roundabout course. Over the past few years, through readjustment, a new situation characterized by the sustained, steady, and coordinated development of the national economy has begun to emerge and the people's living standard has markedly improved. In the course of such an all-round and profound reform, it is not easy to maintain economic stability and sustained growth.

China's previous economic structure was a highly centralized one with a product economy as the starting point. Practice has proved that this structure does not suit the development of China's productive forces and its economic environment. The reform of the economic structure is precisely aimed at changing this structure into one with a planned commodity economy as the starting point and with centralized policy decisions by the central authorities and decentralized policy decisions by the localities, enterprises, and individual laborers. According to a planned commodity economy, the enterprises are relatively independent commodity manufacturers. They are economic entities that are independent and responsible for their profits and losses. Provided they abide by the state's policies and decrees, the enterprises have the power to decide their own economic activities. The state chiefly exercises indirect control over the economic activities of enterprises. Compared with the outdated and highly centralized structure, the new structure, which is based on a planned commodity economy, can give full play to the vitality of the enterprises and, at the same time, adapt the policy decisions of the central authorities to the realities in the localities and enterprises more satisfactorily, thus instilling vitality in the national economy as a whole. The socialist planned commodity economy is also different from the capitalist commodity economy. Based on the system of capitalist private ownership, the capitalist commodity economy cannot prevent periodic economic crises. It contains class antagonism between the bourgeoisie and the proletariat. Based on a system of socialist public ownership, the socialist planned commodity economy can overcome the basic contradictions of the capitalist society, avoid anarchy in production and periodic economic crises, and follow the path of planned development.

For this reason, by establishing our economic structure according to the demands of a planned commodity economy, we can bring into full play the superiority of China's socialist economic system and speed up the progress of China's four modernizations program.

Naturally, it takes time to transform a product economic structure into a planned commodity economic structure. There will probably be some pains in the course of the transformation. Some malpractices in the old structure will refuse change. There will probably be a type of "vacuum" (specifically, some dislocation) in the course of the new structure replacing the old one. The new economic structure should accumulate experience and gradually perfect itself, and the masses should familiarize and adapt themselves to the new structure. Even the new structure will not be perfect. A commodity economy is more advanced than a natural economy and the socialist planned commodity economy is also more advanced than the capitalist commodity economy. However, the commodity economy always has its inherent contradictions. Even the socialist planned commodity economy is no exception. Following the establishment of the socialist planned commodity economy, new contradictions will emerge. These factors will turn into various difficulties and problems in the course of the reform. Some of the problems fairly widely discussed by the masses, such as the serious tendency of "putting money first in everything" in some enterprises, the soaring prices of some commodities, and the case of very few individual households becoming rich, are manifestations of these contradictions. Some people hold that these phenomena are caused by the reform and that they are the outcome of stressing a planned commodity economy. This does not conform to reality. It should be noted that these difficulties and problems have emerged in the course of structuring the economy and, therefore, they should not shake our determination to carry out the reform. The reform of the economic structure will constantly overcome various difficulties and forge ahead. We should not think of returning to the original structure just because some problems have emerged. There will be no way out by doing so.

Let us now analyze the questions widely discussed by the masses and see which phenomena are rational, which are irrational and even negative, and how these negative factors have emerged. These analyses will help us adopt a correct approach toward the planned commodity economy and the reform of our economic structure and facilitate the sound and smooth development of the reform.

#### Will Reform Lead to the Practice of "Putting Money First in Everything"?

The answer to this question is: First, the reform will not lead to the practice of "putting money first in everything" and, therefore, it is necessary to draw a clear distinction between "putting money first in everything" and seeking legitimate profits. Second, it should be admitted that since the beginning of the restructuring of the urban economy, the phenomenon of "putting money first in everything" has become much more serious than it was before. However, it is necessary to make a concrete analysis of the cause of this.

First, since the reform of the economic structure, the practice of "everybody eating from the same big pot" in the relations of the enterprises to the state has changed. All enterprises should now stress profits. Some people hold that this is the practice of "putting money first in everything." This is an erroneous view. "Putting money first in everything" refers to actions that, in the pursuit of profit, disregard social and public interests and even violate the state policies and decrees. Some constitute criminal offenses, such as selling and reselling at a profit, profiteering, offering and taking bribes, and selling fake medicine or wine. These actions are fundamentally different in nature from seeking legitimate profits. Under a planned commodity economy, the socialist enterprises, which serve as commodity manufacturers, should stress profits and make money.

Naturally, there should be a precondition: They should abide by the state policies and decrees and carry out the state plans. The profit of socialist enterprises is a form of transformation of the surplus product value produced by the workers and staff members. Most of the profit should be handed over to the state by various means. As long as they engage in legitimate operations, the more profits the enterprises make, the more surplus products the workers and staff members create. The better the operations of the enterprises, the greater contributions the enterprises make to the state. The enterprises should also use a portion of the profits to develop production and to improve the living standard of the workers and staff members. We should admit that only when the enterprises have their own economic interest do they have the internal motivational force to develop themselves and become invigorated. However, proceeding from their own profits, some enterprises refuse to produce or deal in commodities that are low in value and from which they can derive very little profits. They vie with one another in producing or dealing in those commodities that are high in value and from which they can derive large profits. This results in duplicate production and construction. For example, when all shops on the streets deal in household electrical appliances and fashions, the number of shops and establishments engaging in repair and other services decreases; when all localities import the same production lines of color television sets and refrigerators, they are unwilling to produce small commodities for the daily use of the masses. How should we approach these phenomena? In my view, we should not attribute in an oversimplified way all these to the practice of "putting money first in everything." The primary cause is that after the state reduced direct control over the enterprises, appropriate measures of indirect control, such as prices, tax rates, interest rates, and credits, failed to follow suit. These economic levers failed to play their regulatory role over the economic activities in line with the needs of society, and some even played adverse regulatory roles. The current pricing structure is still irrational. Before straightening out the pricing structure, we should give more scope to the roles of such economic levers as tax rates, credits, interest rates, and financial allowances. Moreover, we should not discard some necessary administrative measures. We should encourage the enterprises to take the interests of the whole into account and to subordinate themselves to the needs of society when the partial interests of the enterprises are in contradiction with the needs of society.

Second, the phenomena of economic crimes such as selling and reselling at a profit, profiteering, swindling, substituting poor quality products for good, and passing sham products as genuine, have increased to some extent. They have not just emerged in recent days, but have existed since ancient times. They have emerged along with the commodity economy and like parasites, attached themselves to it. This malady exists, more or less, in all societies with a commodity economy. It originates from the fetish for currency. Gold and silver (not referring to the gold and silver existing in nature) are the outcome of people's labor. As currencies, they represent social wealth and seem to possess the magical power to satisfy people's desires. For this reason, people prostrate themselves before currencies. In an attempt to obtain as much currency as possible, some people do not hesitate to apply deceitful means in commodity production and exchange. In class societies it is routine for merchants and capitalists to engage in profiteering and swindling. Hence the term "no merchant is scrupulous." These profiteering and swindling activities hinder and affect the normal development of the society and economy and intensify the contradictions between the ruling class and the people and those within the exploiting class. Even in class societies, the ruling class attempts to ban or restrict these profiteering and swindling activities within certain limits by legal or other means. The problem is that they fail to control them.

In a socialist society, the socialist economy is still a commodity economy, the concept of a currency fetish has not been eliminated, and profiteering and swindling activities have not completely disappeared. Only when we enter the socialist society stage in which the commodity economy dies out will the problems completely disappear.

However, the socialist commodity economy is a planned commodity economy based on the system of public ownership (with only a small amount of private ownership). Socialist commodity producers are primarily those basic units whose means of production are owned by the whole people. Fundamentally speaking, their economic interests are in unison with those of the entire society. For this reason, they should not seek their own interests by infringing upon the society's interests. As a representative of social interests, a socialist country does not have its own private interests. Therefore, it can seriously and strictly ban and punish profiteering and swindling activities by legal, administrative, and economic means, and restrict these illegal activities within the narrowest limits. If a socialist country relaxes its control, slackens its efforts to conduct education about the law, discipline, and ideology among the leaders of enterprises, and fails to crack down on criminal activities in the economic field, these illegal activities will probably run rampant.

In the past, under the influence of "leftist" ideology, we did not admit that the means of production were commodities. We even allocated and distributed the means of subsistence largely according to the principle of products. The urban and rural markets were closed and normal activities of the commodity economy were repudiated as capitalist practices. Under these circumstances, there were naturally not many chances to use commodity exchange to engage in speculation and profiteering. Now that we have relaxed price controls to invigorate the economy, speculators have seized the opportunity to carry out their activities. In the course of restructuring the economy, we should strengthen management by legal, administrative, and economic means and crack down on all criminal activities in the economic field so that they will not spread unchecked. Moreover, we should step up education among cadres in charge of economic work, calling on them to learn to engage in production and other operations in accordance with the objective laws governing the planned commodity economy and to abide by the state policies, decrees, and plans. The problem now is that while price controls have been relaxed to invigorate the economy, the corresponding forms of administrative work have lagged behind. Our economic legislation leaves something to be desired, its implementation is not strict, and our supervisory bodies are still to be improved, thus leaving some loopholes for the law-breakers to exploit. Some socialist enterprises have also sought their own interests at the expense of the society. This state of affairs has drawn the attention of the party and the government, and efforts are being made to work out and improve economic decrees and regulations. With the improvement of the legal system and the stepping up of ideological and political work, these illegal activities will surely be brought under control.

#### Will Reform Lead to Price Hikes?

People currently have many complaints about commodity prices. They have the tendency to oppose price hikes under all circumstances. They also hold that price hikes are caused by the reform. In my view, we should make a concrete analysis of these ideas. We should not hold that all price hikes are not good; nor should we hold that they are all caused by the reform.

The law of value is a basic law governing the commodity economy. A basic principle of the planned commodity economy is that commodities should be exchanged at equal value and that commodity prices should reflect their value and the relationship between supply and demand. Under the planned commodity economy, the state relies primarily on indirect control and not direct control to control the enterprises. This means that the state primarily uses economic and legal means and adopts the necessary administrative means to control and regulate economic operations. Price is the most effective means of economic regulation. In the past, however, proceeding from the viewpoint of the product economy, our country did not attach importance to the role of the law of value and failed to readjust commodity prices for a long time.

As a result, prices reflected neither the value of commodities nor the supply-demand relationship. If the pricing structure is not reformed, it will not be able to give scope to its role as a means by which the state exercises indirect control over the enterprises. On the contrary, it will play an adverse regulatory role. The existing excessively centralized system of price control should also be reformed accordingly. Therefore, the price reform has become a very important part of the reform of the economic structure and is crucial to the success or failure of the reform as a whole.

The reform of China's price system is primarily a structural readjustment and not an across-the-board price hike; that is to say, in line with the requirement of exchange at equal value and the changes in the supply-demand relationship, we should adjust the irrational price parities by raising or reducing prices as necessary. If the original prices of some commodities are too low, we should raise them. There are two main types of these commodities. The first is some mineral products and raw and semifinished materials. To prevent a chain price hike in manufactured goods, the extra cost resulting from the price increases should be borne to a large extent by the processing industries themselves and to a small extent by the state through tax cuts or exemptions. The second type is some agricultural and sideline products. In the first half of this year, price controls on vegetables were relaxed in the cities, and the prices of meat, fish, fowl, and eggs were also raised. It was necessary to raise the prices of these products because their original prices were too low and this dampened the initiative of the peasants in production as well as that of the operating units. This, in turn, affected the supply to people in cities and towns. After the price controls were relaxed, the prices of vegetables rose substantially in some cities. This stimulated the initiative of the producers, thus increasing market supplies. The prices have now dropped to some extent and have gradually stabilized. The state has also given allowance to city residents so that the price adjustment will not adversely affect the living standard of the people.

City residents have to buy vegetables, meat, fish, fowl, and eggs every day and so they are most sensitive about prices, noticing price changes from the quantities of food in their shopping baskets. Noticing that the prices of some vegetables and fish have risen, some people will say that commodity prices have soared. In fact, the price increases of some vegetables cannot accurately reflect changes in commodity prices in our country. This is because vegetables, fish, meat, and other nonstaple food represent only a part of the consumer goods in the daily life of city residents. Since the prices of these commodities were too low in the past, they should be raised substantially. However, the prices of most consumer goods, including grain, edible oil, and chemical fiber cloth, as well as household electrical appliances and other high-grade consumer goods, were not raised. Although the prices of some commodities have been raised a little, the prices of some others have been reduced. Therefore, it is obviously wrong to regard the price hikes of food as price hikes of all consumer goods.

However, some people have artificially forced prices up. Not only have some self-employed workers raised prices at will, but some state or collectively run enterprises and shops have also done so or have generated price hikes in disguised form by underrating product quality or giving short measure. The consumers have complaints about these practices. There are two main causes for these malpractices. First, supervision and control over prices have lagged behind the needs of the situation in the course of economic structural reform. In the past, circulation channels were unitary, that is, in the cities, state-run commerce monopolized everything, and in the countryside, supply and marketing cooperatives did the same in this respect. Moreover, rigid controls were imposed on prices and thus there was no difficulty in controlling prices. Now, state and collectively or individually run enterprises are all involved in circulation channels. Each channel has its own form in which fixed and floating prices and free market prices are used and commodity prices are handled by the competent departments all lower levels.

Therefore, the complexity of the current price work is incomparable to what it was in the past. The work load has become significantly heavier. The present institutions, personnel, and level of price control far from meet the needs of the situation. The second reason, and the more important one, is that in the final quarter of last year, consumption funds and the scope of capital construction ran out of control. Arbitrary pay raises and bonus distribution resulted directly in the increase in social purchasing power. Capital construction becoming out of control further strained not only the supply of rolled steel, timber, and cement, but also that of consumer goods. About 40 percent of the investment in capital construction projects was expected to be turned into social purchasing power directly or indirectly. Consumption funds and investment in capital construction becoming out of control caused social purchasing power to surpass the availability of social commodities. Last year, production increased by 12 percent and consumption funds by 22 percent, while those in the last quarter alone increased by 40 percent. Consequently, there was a strain on the market supply of commodities, excessive price hikes in some commodities, and a drop in the quality of some products. This has not only aroused dissatisfaction among the masses, but also caused difficulties for the reform. Having discovered the problem, the central authorities promptly and decisively began a series of measures, including checking frenzied wage increases and indiscriminate distribution of bonuses or gifts, gradually reducing economic growth rates, and controlling the scope of investment in capital construction and bank credits. With economic growth rates, the scope of investment in capital construction, and the growth of consumption funds rationally controlled, the problem of excessive price hikes for some commodities has been solved. The key to whether or not there is an overall price hike lies in whether or not inflation occurs. If it occurs, an overall price hike will be unavoidable, but if not, there will be not any overall price hike. The "proposal of the CPC Central Committee for the Seventh 5-Year Plan for national economic and social development" has defined that "we should persistently strike a basic balance between overall social demand and supply so that there will be a proper ratio between accumulation and consumption" as one of the basic principles for economic and social development during the Seventh 5-Year Plan period. It also urges people "to work hard to maintain a basic balance in the overall level of prices." So long as we conscientiously implement this principle, there will not be any general rise in prices.

#### Will the Reform Enrich Only Some Self-Employed Workers?

Over the last few years, thanks to the efforts to carry out a series of economic reforms, to relax policies, and to invigorate the economy, a small number of people have indeed become well off. Commonly known as "10,000-yuan households," they come mainly from the specialized households in the countryside and self-employed workers in cities and towns. However, they constitute only a small proportion of the latter. Although small in number, they are most influential. On the one hand, they bring along and attract people around them in taking the road to common prosperity; on the other hand, they have become a subject of widespread comment among the populace. Does our reform only allow some to become well-off?

After the 3d Plenary Session of the 11th CPC Central Committee, the central authorities defined the policy of "allowing and encouraging some regions, enterprises, and people to become well-off ahead of others through diligent work," a policy that had a strong attraction and inspiration to the majority of the people and could promote more and more people to take the road of prosperity one group after another. However, "allowing some people to become well off before others" is not our sole objective.

Comrade Deng Xiaoping said: "Socialism aims not at polarization but at making the people throughout the nation become well off together." (Speech at the National Conference on Scientific and Technological Work) "It is precisely for the purpose of spurring more and more people to become prosperous until all are prosperous that some areas and some people are encouraged to do so first." ("Speech at the National Conference of Party Delegates") Ours is a socialist country where the system of exploitation has been wiped out and the means of production have been put under the public ownership system. On no account must our policy allow only some people to be prosperous while disregarding the interests of the broad masses. If we do so, this will mean polarization and our own defeat. The workers, peasants, and intellectuals constitute the main body of our society and masters of the socialist society. Serving the interests of the vast numbers of workers, peasants, and intellectuals is our party's fundamental starting point in formulating all policies.

After smashing the "gang of four" and under the situation in which the country had difficulties with its economy, the central authorities decided to increase the wages of some staff and workers, to restore the bonus system, and to raise the purchasing prices of farm and sideline products, and thus gradually improved the living standard of the people. Later on, the authorities introduced the system of contracted responsibility with payment linked to output in the countryside and carried out economic structural reform in the cities, with the fundamental task being to promote the development of the productive forces so as to constantly meet the people's growing material and cultural needs. In 1978, the annual average consumption level of residents in China was 175 yuan. By 1980, it had increased to 227 yuan, calculated in terms of comparable prices. This was an increase of nearly 30 percent. It is expected the level will reach 386 yuan in 1985, calculated on the basis of the year's prices, 159 yuan more than the 1980 figure of 227 yuan, a gain of 70 percent. Calculated by taking price increases into account, the real consumption level of the residents in the past 5 years has increased by 44.1 percent. Of course, the current consumption level of our population is still very low. Since ours is a big country with a huge population of 1 billion people and a backward economy, to realize the objective of bringing about common prosperity for the whole population, our task is extremely arduous. By the end of this century, we can only expect to reach the level of a comparatively well-off life. By the middle of the next century, we should be able to approach the level of developed countries in the world. To bring about common prosperity to the entire people is not as easy as to make one single person or household prosper. With correct party policies, through diligent work, and by relying on the help of social forces, a person or household is likely to become well-off within a short space of time. However, it is impossible for a big country with a population of 1 billion people to become prosperous within a short space of time. When seeing a small number of people become well-off, we should not demand that the majority of the people get prosperous at the same rapid clip. This is unrealistic.

Common prosperity cannot and will never mean that all members of society become better off simultaneously. If common prosperity is understood as all members of society becoming better off simultaneously, this will mean egalitarianism. Under the influence of "leftist" ideology, in the past we understood common prosperity as egalitarianism. This practice led to common poverty. Egalitarianism goes against the laws governing the distribution of personal consumer goods in a socialist society. In a socialist society, what dominates the distribution of personal consumer goods within the frame of the economy under the public ownership system is the law of distribution according to work. A laborer earns the same amount of consumer goods as the quantity and quality of labor he has contributed (after the portion used as social funds is deducted). Since laborers differ in their ability to work and in their family burdens, the amount of consumer goods earned varies from laborer to laborer. Hence, there are differences in the degree of prosperity. The socialist economy is still a commodity economy and enterprises are still commodity producers. Exchanges between enterprises must observe the law of value.

Some of the time spent by the staff and workers of various enterprises in turning out commodities may possibly be more than the socially necessary labor time; that is, a larger amount of labor can create less value. Some labor may possibly be less than the socially necessary labor time; that is, a smaller amount of labor can create more value. Moreover, some of the time spent on labor may ~~possibly~~ not be recognized by society.

Therefore, even though the staff and workers of various enterprises contribute the same amount of labor, their practical results and incomes are different. In a socialist society, in addition to the economy under the public ownership system, there exist a few individual economic undertakings and various forms of economic entities. Self-employed workers earn their income by engaging in production and business using their own means of production. Income varies from worker to worker. Some co-managed enterprises practice distribution of dividends according to share capital. It can thus be seen that the income of individuals in a socialist society cannot be equal and there will surely be some differences. The party's policy of "allowing and encouraging some regions, enterprises, and people to become well-off ahead of others through diligent work" conforms to objective socialist laws.

With the introduction of the policy of "allowing some people to become well-off before others," a tiny number of people have earned a high income. Ordinary workers, peasants, and intellectuals, and even scientists, inventors, writers, and artists cannot be compared with this section of people in this regard. They thus have become a subject of widespread comment among the masses. Judged from the complexity of their labor, they surely cannot compare with scientists, writers, and artists, and viewed from the arduousness of their labor, they are not necessarily comparable with the workers who work in mines or open fields and under difficult conditions such as high temperatures. Their working time may be quite long, but the difference in income between them and workers, peasants, and intellectuals far exceeds the difference between their working time. How should we approach the income of this section of people? In studying their income, we should pay attention to one basic fact: They are engaged in individual businesses or operate businesses on their own. Their income is determined by the performance of their operations and not by the law of distribution according to work.

Of course, to gain earnings, they have to work. Nevertheless, the amount of their income is not completely calculated by the amount of labor they have contributed, but is determined by the intense competition on the market, by the superiority they gain in the course of competition, and by the amount of capital they have invested. If they hire a few helpers, their income includes some of the value created by their helpers. Therefore, the income of workers and intellectuals which is determined by the principle of distribution according to work and the income of this section of people which is determined by different economic laws cannot be compared directly. Moreover, the latter do not have social guarantees and collective material benefits and their jobs are not secure. It is unscientific to compare their cash income with the wage income of workers and intellectuals alone. The rationality of their income is determined by whether or not the practice of allowing them to carry out such methods of operation is helpful to society rather determined mainly by the amount of their income in excess of that of workers and intellectuals. In the past we banned individual businesses. As a consequence, the economy was managed rigidly, the number of stores in the cities was limited, the residents had inconveniences in their lives, the state had to find jobs for unemployed people, many capable artisans in the rural areas had nothing to do, the sources of production were scanty, and the income of the peasants was very low. Of course, there were no "10,000-yuan households" to speak of at that time. With the relaxation of policies, new revenues of production have been opened up. Youths looking for jobs in cities and towns and superfluous laborers in the countryside have had work to do. Production has been expanded, the market has become brisk, and the income of people has been increased.

Things have been made convenient for the people. This policy has been successful. Among the numerous people engaged in individual business, a small number will excel in competition and become well-off before others either because they mastered special skills, have an enterprising spirit and quick access to market information, and are good at management, or because they have abundant funds. The income of the majority of people engaged in individual businesses is not high. A small number of these people who are inferior in competition due to mismanagement are still faced with economic difficulties. We should allow a small number of people to become well-off ahead of others.

Of course, we should strengthen ideological education among this section of people and educate them in observing discipline and abiding by laws, and to foster the socialist professional morality. We should provide them with consultancy services in such areas as information, technology, and policies. We should also tighten control over them and punish a small number of people among them who seriously break the law. At the same time, since they have a higher income, they should make appropriately greater contributions to the state and society. This should be solved mainly through a rational tax system. The taxes handed over to the state by individual enterprises of a considerable size should not be lower than those of the enterprises under the system of ownership by the whole people and collectively run enterprises of the same kind. A progressive personal income tax should be levied on that portion of enterprise income which is turned into personal income. We should regulate the relationship between them and the state and between them and the vast numbers of workers, peasants, and intellectuals by means of taxation. As long as we uphold the leading position of the economy under the socialist public ownership system and have a correct policy, allowing the individual economy to exist and allowing and encouraging some people to become well-off before others will only do good and not harm to society.

In the above paragraphs, we have analyzed the problems concerning the economic structural reform and the planned commodity economy, which are being greatly discussed among the people. In the future, we should frequently and promptly explain to the masses the developments of economic restructuring and the problems arising in the course of the restructuring. Problems related to the reform should be promptly discovered and solved and those related to people's understanding should be promptly explained to the masses so as to win their support. One passage in the "proposal of the CPC Central Committee for the Seventh 5-Year Plan for national economic and social development" merits our great attention. The "proposal" says: "In the long run, reforms will promote vigorous growth in the productive forces and bring the people great material benefits. However, we cannot expect that every step in the reform will bring immediate benefits to every person, because the beneficial results will only be obvious after the reform has been in effect for a certain period. It is important to the success of the reform that we explain this to the people."

#### LIAOWANG ON STRATEGIC POLICY OF OVERALL REFORM

HK050705 Hong Kong LIAOWANG OVERSEAS EDITION No 2, 7 Oct 85 pp 13-14

[Article by reporter Li Shiyi: "The Strategic Policy of Overall Development of Reform -- Commenting on the CPC's Proposal on the Seventh 5-Year Plan"]

[Text] On 23 September, the National Conference of Party Delegates approved the proposal on the formulation of the Seventh 5-Year Plan for national economic and social development. As soon as this proposal was published, without exception, all those at home or abroad who are concerned about China's reform felt comforted and pleased.

Estimate the Situation as it Really Is and Be Aware That the Trend of Reform Is Not Bad

Since last winter when the State Council adopted readjustment measures to solve some problems that have cropped up in our economic life, such as the excessive growth rate of our industrial production, the excessive scale of our investment in fixed assets, the excessive increase in our credit and consumption funds, the excessive price hikes on some commodities, and the reduction of the state's foreign exchange reserves, there has been a lot of doubt and worry about China's economic situation and economic structural reform.

Will China be able to continue its economic structural reform? Many have raised this important question.

The economic structural reform on the Chinese mainland began with the 3d Plenary Session of the 11th CPC Central Committee at the end of 1978. From then to last October, we have achieved victory in the first battle of the 6 years of rural reform. This has made a breakthrough for the all-round economic structural reform in China. At the same time, we have also gained some valuable experience in the initial urban reform, which is of an experimental nature. This has attracted great attention of the people both at home and abroad. A comparison with and study of reform in other countries shows that in all other countries, cities were selected as the area to make reform breakthroughs. China has invented a new way, in light of its reality, and thus earned a reputation.

Last October the 3d Plenary Session of the 12th CPC Central Committee approved the "decision of the CPC Central Committee on reform of the economic structure" and thus enabled the all-round economic structural reform with the focus on urban reform to enter a new stage.

Before the opening of the recent National Conference of Party Delegates, this reform had already given rise to many noteworthy changes in China's economic and social life. For example:

--With the publicly owned economic sector as the pillar, the diverse economic forms and diverse methods of operation have made new developments. Now, more than 40,000 small state-owned commercial enterprises have been turned into enterprises managed by collectives, and more than 5,000 such enterprises have been turned into enterprises owned by collectives or rented to collectives. As a result, the turnover, tax payments, and profit delivery of these enterprises has increased relatively greatly. The number of urban and rural individual laborers engaged in various business activities has risen to 4 million. They have enlivened our market, provided conveniences for the livelihood of our people, and facilitated a solution to the employment problem.

--Our enterprises have received different degrees of decision-making power and their vitality has thus been strengthened. Last year, the gross output value of the state-owned industrial enterprises included in the budget rose by 10.6 percent; their tax payments and profit delivery rose by 10.5 percent; and the state's financial revenue rose by 18 percent. This satisfactory trend was maintained in the first half of this year and the output value, tax payments, profits, and financial revenue rose simultaneously.

--Our rural reform is deepening in its development. The peasants who have become rich because of the implementation of the production responsibility system have organized themselves and pooled funds to establish more than 460,000 economic combines of various kinds in accordance with the principle of voluntary participation and mutual benefit in order to conduct expanded reproduction. These combines employ more than 3.5 million people.

This success in putting our small peasants on the right course of socialized mass production by economic principles, instead of by relying merely on administrative orders, is a new breakthrough that the CPC has made since the 1950's.

-- New progress has been made in opening up to the outside world. By the end of last year, more than 700 enterprises of joint Chinese and foreign capital had received permission to set up. The amount of foreign capital employed by these enterprises is equivalent to more than 2.6 billion yuan.

-- The economic relations between various provinces, municipalities, and autonomous regions and between various departments within China have grown from weak to strong. By the end of last year, the number of economic cooperation projects among them rose to more than 17,000, and they had raised more than 4 billion yuan in funds to establish new enterprises. An economic network with cities as its centers is taking shape. The number of cities in which experiments are being made regarding the economic structural reform is no longer few, but is more than 50.

-- We have mainly fulfilled the task of bringing a radical turn for the better to our financial and economic situation, and there is a new situation of sustained, stable, and coordinated development in our national economy. When the reform was initiated in 1978, there was a serious imbalance in the proportional relationship of our national economy, but now we have brought a radical change to this situation and the prospect of a benign cycle has already emerged. Our financial revenue for the first 7 months of this year rose by more than 20 percent over the same period of last year and exceeded expenditure by 12.1 billion yuan.

The outsiders who do not understand what is happening in China are full of worries when they read reports that problems have cropped up in the process of China's reform. They think that it is inevitable for China to return to the beaten path. This view is obviously wrong. When Zhao Ziyang talked about the current economic situation on 18 September, he expressed the attitude of "making a realistic estimate," seeing both the achievements and the problems and difficulties. He said that the proposal on the Seventh 5-Year Plan pointed out that we had already basically fulfilled the task of bringing a radical turn for the better to the state's financial and economic situation, and that the problems that had cropped up in the process of the reform could be solved gradually.

The Methods To Carry Out the Reform Prudently and the Blueprint for the General Program

The CPC does not shield its shortcomings. A realistic estimate naturally involves the question of how we are to view the problems of an excessive growth rate in our production and the excessive scale of investment in fixed assets in our economic construction last year. Of course, the National Conference of Party Delegates did not evade these problems, but its conclusion differed from what is said abroad.

For some time, a kind of intuitive judgment has been in vogue. It holds that these problems are the consequence of the reform. It holds that this must be true, for there would have been no such problems if there had not been the reform.

In fact, this is a wrong judgment. A review of history shows that in the more than 30 years since 1953, when China began to implement its First 5-Year Plan, there have been four instances of different extents of an excessive growth rate in our production and excessive scale of investment in fixed assets.

The first instance emerged in 1958, the second emerged in 1970, the third emerged in 1978, and the fourth emerged in the fourth quarter of last year. The first three instances emerged under the guidance of "leftist" ideology, and no reform was carried out then. From this, we can see that there is no necessary causality between these problems and the reform.

A historical review of these problems enables us to have a new understanding: We should strengthen our macrocontrol. However, the old system and methods are ineffective for us to strengthen our macrocontrol. We can only rely on a new system and new methods. In the first three instances, as we adopted administrative methods and took back the power that we had transferred downward, we always encountered the cycle of "there is rigidity as soon as there is centralized control, there are complaints as soon as there is rigidity, there is relaxation of the control as soon as there are complaints, there is chaos as soon as there is relaxation of control, and there is centralized control as soon as there is chaos."

By learning from our historical lessons and summing up our practical experience, we have gained the following new understanding:

-- Both the enlivening of our microeconomy and the strengthening of macrocontrol by new systems and new methods are reforms. They must be very satisfactorily coordinated with one another.

-- The economic construction should not develop along a direction counter to the reform. The patterns of our economic and social development should be consistent with the pattern of our reform and should not fail to match it.

-- We have to make long-term efforts to make our country prosperous and our people rich, and it is impossible to achieve immediate results as we did in fighting against local tyrants and dividing up land.

A natural conclusion can be drawn from this new understanding: We must persist in carrying out the reform, but, in order to persist in doing so we must have a general program and a full series of methods. For example, when all vehicles are driving along the left side of a road, a certain vehicle that drives along the right side will not only find the way blocked, but will also give rise to chaos. We must have a set of new traffic regulations in order to establish a new order.

Before the opening of the National Conference of Party Delegates, under Zhao Ziyang's leadership, the State Council organized diverse investigations, studies, and discussions about our economic and social development and our policies regarding development. During the discussions, many patterns and plans for reform were put forward for selection for the proposal for the Seventh 5-Year Plan.

This reporter has learned that the outline for China's economic and social development in the coming 5 years will be as follows:

The goal: To strive to lay a foundation for a new type of socialist economic system with Chinese characteristics, full of vigor and vitality.

The first stage: To straighten out the basic economic relations, such as prices, planning, taxation, distribution of materials and goods, and so on, and to establish a relatively perfect commodity market that is guided by planning.

The second stage: On the basis of perfecting the markets of various commodities, we should establish a relatively integrated market system and finally complete the transition from the pattern of direct control to the pattern of indirect control.

The strategic measures: to maintain a proper growth rate; to simultaneously readjust the composition of our undertakings; to concentrate our investment; to make unified arrangements for opening up to the outside world; to pay attention to both efficiency and employment; and, to stress science, technology, and education.

The Process of Sufficient Food and Clothing -- Being Comparatively Well-Off -- Becoming Rich, and the Display of the Image of a Long-Distance Runner.

A reading of the proposal for the Seventh 5-Year Plan shows that great stress is laid on the reform. The relationship between reform and construction is very clear: Construction should serve the reform and should be conducive rather than detrimental to the reform. The proposal stresses that the coming 5 years are a critical period for an overall reform in our economic system and in our scientific, technological, and educational administration system. Reform is the key in the CPC's proposal for the Seventh 5-Year Plan. This key makes the proposal different from the proposals for the preceeding Sixth-5-Year Plan. All the previous 5-year plans put construction in the first place and stressed the concrete targets for production and construction. In short, they are target-type plans. But this old practice has been entirely rejected in the proposal for the Seventh 5-Year Plan, which gives priority to eliminating the long-standing malpractice that fetters the development of our productive forces. For this purpose, when the proposal was being drafted, Premier Zhao Ziyang time and again stressed that it was necessary to formulate a plan of reform.

If, after reading the CPC Central Committee's proposal on the Seventh 5-Year Plan, one thinks that the goal that the CPC will seek in the future is merely reform, one will fail to have a full understanding of the situation. It is out of deeper considerations that the CPC stresses reform. Concerning this, before the conference was held, Deng Xiaoping said to Tian Jiyun that the reform is aimed at laying a foundation for sustained development in the coming 5, 10, and 50 years.

Proceeding from reality and gearing to the needs of the future are major characteristics of CPC leaders. They are not short-sighted or eager for quick success and instant benefit, but they advance step by step. Through the steadfast strife of one, two, three, and four generations of people, a modern socialist power will finally be established on the land of an area of 9.6 million square kilometers and thus enable the Chinese nation to become one of the advanced nations in the world.

At the closing session of the National Conference of Party Delegates, Deng Xiaoping clearly declared this ideal and plan to the whole world. He said: "Now people say that there have been clear changes in China. I said to some foreign guests that these were merely small changes. The quadrupling and the attaining of the goal of making our people lead a comparatively well-off life can be regarded as intermediate changes. Only when we are able to come close to the level of the developed countries in the world by the middle of next century can there really be big changes. At that time, the position and role of socialist China will be different and we will be able to make relatively big contributions to the human race."

In order to attain this long-term goal, the CPC has adopted a new organizational line of having an echelon structure of its leading groups. Chen Yun, a senior leader of the party, said: "Maintaining the echelon structure of our cadre ranks will enable us to have successors to carry on the party's cause generation after generation." It is impossible to achieve the modernization of China overnight and it is necessary to have people to carry on this work generation after generation until the final victory.

If we regard 1980 as the starting point of our economic reinvigoration, through 5 years of strife, the 1 billion Chinese people have realized the goal of having sufficient food and clothing.

By the year 2000, the Chinese people will lead a comparatively well-off life. Through further strife for 40-50 years, by the year 2049, the year of the 100th anniversary of the founding of the PRC, China will come close to the level of the developed countries in the world.

This is not merely a slogan to rouse our party members and people to action, but is an actual task. At present, we are researching and drawing up a general program for China by the year 2000 and by the middle of the next century. The CPC's proposal on the Seventh 5-Year Plan cannot but be closely related to this work.

China is undergoing big changes. Like a long-distance runner, China is running toward the future full of ambition along the course designed by the CPC.

#### FORUM HELD ON RURAL PARTY CONSTRUCTION WORK

OW040609 Beijing XINHUA Domestic Service in Chinese 1306 GMT 3 Dec 85

[By RENMIN RIBAO reporter Wu Xuelin, XINHUA reporter Zhang Yanping]

[Text] Beijing, 3 Dec (XINHUA) -- The national rural grass-roots-level party organizations construction work forum, held by the Organization Department of the CPC Central Committee, pointed out: It is necessary to build the rural party organizations into stronger and more powerful entities and enable the broad masses of rural party members to bring into play their role as a vanguard and model in leading the masses in adhering to the system of public ownership as the main body in the construction of new socialist rural areas and in the struggle to realize common prosperity, thus promoting a further turn for the better in party work style and social practice, giving an impetus to rural reform and ensuring an in-depth and healthy development of such reform, and bringing about a prosperous rural economy.

Units that have not started party rectification should firmly grasp and solve those major problems in the construction of grass-roots-level organizations to make the necessary preparations for party rectification.

Townships and villages that have started party rectification should carry out concomitant construction of party organizations. After conclusion of party rectification, all units should consolidate and develop the achievements of party rectification and regard the work of building grass-roots-level party organizations as a permanent task to be grasped unremittingly.

The forum was held in Beijing from 26 November to 3 December. Responsible comrades of the departments of all provinces, cities, and autonomous regions concerned and some comrades of the prefectures, counties, and townships attended the forum. The forum analyzed and studied the current situation in rural grass-roots-level party organizations, summed up and exchanged experiences, and discussed the issue of strengthening the construction of rural grass-roots-level party organizations.

Wei Jianxing, director, and Wang Zhaohua, deputy director of the Organization Department of the CPC Central Committee, attended. Chen Yeping, adviser to the Organization Department of the CPC Central Committee; Du Runsheng, director of the Rural Policy Research Center of the Secretariat of the CPC Central Committee; and Cao Zhi, deputy director of the Organization Department of the CPC Central Committee, spoke at the forum.

It was indicated, by the large amount of investigation and analysis carried out by the various provinces, cities, and autonomous regions, as well as the Organization Department of the CPC Central Committee and the Rural Policy Research Center of the CPC Central committee, that the majority of the 22 million rural party members, who accounted for more than half the total number of party members in the country; and the 1.13 million rural grass-roots-level party organizations, which accounted for nearly half the entire party's grass-roots-level organizations, were good, or relatively good. It was indicated that they had undergone training and tests during rural reform and made positive contributions in creating a new situation in rural work. The reason for the fact that the rural reform was so successfully carried out was because the broad masses of peasants had supported the series of correct principles and policies of the party Central Committee. Such a success was also inseparable from the fact that the rural grass-roots-level party organizations had brought into play their role as a fighting bastion, and the party members as a vanguard and model. The forum maintained: While affirming the main current, it is imperative to have a sober understanding of the problems currently existing among rural party organizations and party members. Without conscientiously analyzing and solving the existing problems, rural party organizations will be unable to continue their advance.

The forum pointed out that, during the current ideological and organizational construction of rural grass-roots-level party organizations, it is necessary to emphatically grasp the following aspects of work:

-- Vigorously grasping the education of party members, and bringing into full play the role of Communist Party members as a vanguard and model. There are many things to do in the construction of rural grass-roots-level party organizations, but ideological construction should be placed first. However, strengthening the education of party members and enhancing their qualities are the central links in ideological construction.

-- Educating party members to firmly remember the purpose of serving the people wholeheartedly. Currently, rural party members' work of serving the people wholeheartedly should be concretely embodied in the activities of leading the masses of peasants in getting rich through diligent work, and in leading them in abiding by discipline and law and jointly making efforts to build the two civilizations.

-- Carrying out education in communist ideals and current principles and policies. Educate party members to integrate the lofty communist ideals with the realistic target of struggle, and enable them to understand that the reform of rural economic structure and the series of principles and policies of the party for rural areas are all to make the country strong and the people rich, and are concrete embodiments of the four basic principles. It is necessary to educate party members to stand in the van of reform. On the issue of reform, there can be only advance without retrogression. New problems emerging from the reform should only be solved incessantly through reform.

-- Carrying out education in abiding by discipline and law. It is necessary to enable party members to clearly understand that party members should not only strictly abide by party discipline, but also take the lead in abiding by political discipline and state law.

-- Carrying out education in scientific and cultural knowledge. It is necessary to make party members understand that they should not only wish to lead the masses in getting rich, but also have the ability to fulfill it.

The forum proposed: It is necessary to do a good job in further readjusting and building leading bodies in rural grass-roots-level party organizations, especially those in party committees of townships and towns, by proceeding from reality, in accordance with the principle of "making the contingents of cadres more revolutionary, younger in average age, better educated, and more professionally competent," within a year or two. This is the key to the construction of rural party organizations. In readjusting leading bodies of rural grass-roots-level party organizations, it is necessary to adhere to both moral and professional standards, to proceed from reality, to refrain from "imposing uniformity" on the grasp of cultural level and age issues, to do a good job in dealing with the veteran comrades who have withdrawn from the leading bodies, and to carry out elections through democratic procedures, as stipulated by the party constitution.

After discussion, the forum maintained: The establishment of rural grass-roots-level party organizations should be improved. With the deepening of reform in the rural economic structure and the development of commodity production, large numbers of town and village enterprises, various specialized households, and joint economic entities have emerged, and the number of party members who have gone out to engage in industrial and commercial undertakings has greatly increased. Therefore, readjusting and improving the establishment of rural grass-roots-level party organizations have become problems that should be promptly solved. According to the experiences of experimental points in various localities, the establishment of rural grass-roots-level party organizations should be based on the advantages to the promotion of the change of the agricultural economy to specialization commodity economy, and modernization; to the strengthening of links between the party and the masses; and to carrying out party organizations' activities and the strengthening of rational readjustment of the principles for the education and management of party members.

The forum hoped that party committees at all levels would strengthen their leadership over rural grass-roots-level party organizations, study new situations, and quickly solve new problems. County party committees should understand that they bear especially important responsibilities and that they must grasp such work well, while firmly grasping economic construction. Strengthening construction of rural grass-roots-level party organizations under the new situation has a bearing on the continuous development of the new situation already emerged in rural areas, on the fulfillment of universal prosperity for the 800 million peasants, and on the victory of the entire reform and prosperity of the country. Therefore, it is imperative to strengthen leadership work in a down-to-earth way, and strive to bring about a great change of the outlook of rural grass-roots-level party organizations.

#### LIAOWANG PROFILES NEW PROVINCIAL PARTY HEADS

HK050708 Beijing LIAOWANG in Chinese No 45, 11 Nov 85 pp 18-19

["Biographical Sketches of Newly Appointed Provincial, Municipal, and Autonomous Regional Party Secretaries: Lin Ruo (Guangdong), Song Hanliang (Xinjiang), and Rui Xingwen (Shanghai)"]

[Text] Lin Ruo

Lin Ruo is from Chaoan, Guangdong. He joined the CPC in May 1945, when studying at Dongshan middle school, Meixian. In February 1947, he gave up his college studies and joined the Dongjiang guerrilla forces; he was successively appointed political instructor, battalion political instructor, and regimental director of the Political Department under the No 2 detachment of Guangdong-Jiangxi border column.

With the founding of the PRC, he was transferred to work in the localities, and he was successively appointed secretary of the District Work Committee, director of the Propaganda Department under county CPC Committee, deputy secretary of the county CPC Committee, secretary of the county CPC Committee, deputy secretary of the prefectural CPC Committee, first deputy secretary of the prefectural CPC Committee, secretary of the prefectural CPC Committee, and deputy secretary of the NANFANG RIBAO Committee. Between January 1975 and June 1977, he was appointed secretary of Guangzhou City CPC Committee. In September 1982, he was elected as a member of the 12th CPC Central Committee; and, in March 1983, he was appointed secretary of the Guangdong Provincial CPC Committee.

Lin Ruo has, for a long time, worked at prefectural and county CPC committees, which helped him establish the style of working arduously, going deep into grass-roots units, and starting everything from reality. He often says, a leading organ will not do its job well if it fails to go deep into reality, and do a good job in investigation and research and if it fails to grasp the real conditions of the locality, without making concrete analysis of concrete problems, but simply copies the instructions from above. Whether he was working in county or prefectural committees, Lin Ruo always spent more time carrying out investigation and research at grass-roots units than in the office. In the 5 years when he was working as secretary of Zhanjiang Prefectural CPC Committee, he carried out investigation and research in the overwhelming majority of the counties under the jurisdiction of the prefecture. Besides, he had gone deep into many peasant households to understand their feelings, to listen to their voices, and to grasp first-hand materials for carrying out the party principle and policies. In June 1985, on the eve when the second stage (county-level CPC committees) party rectification was to be unfolded in an all-round way, Lin Ruo had successively gone down to more than 10 counties to grasp the conditions of county leading organs in party style and discipline. Later, he presided over the Guangdong Provincial Work Conference on Second-Stage Party Rectification in Chonghua, Guangdong. Lin Ruo holds that so long as the major responsible person is able to set an example, to grasp first those cadres around him, and to take the lead in resisting and correcting new unhealthy tendencies, in order to strengthen party style and discipline, a good job will surely be done in party rectification in organs at the county level. Guangdong's reform will be promoted and ensured, an opening up will be smoothly carried out.

On 15 July, namely the second day when Lin Ruo took office as secretary of Guangdong Provincial CPC Committee, he promptly started for Hainan Island, to deal with reselling motor vehicles, a case that shook the whole country. Successively, he went to such cities and counties as Haikou, Qiongshan, Qiongzong, and Tongza, helping them to seriously draw lessons and experiences from that case. He found out about the specific difficulties of Hainan's present economic construction, encouraged the comrades to pull themselves together, to work with one heart and soul to resolutely implement the Central Committee's principle and policies on opening up to the outside world and exert themselves to do a good job in the development and construction of Hainan Island!

Lin Ruo holds that Guangdong's opening up to the outside world and enlivening economy has already developed into a new phase; at present it is imperative to attach particular attention to strengthening administration, and to upgrade the opening up to the outside world and enlivening the economy of the whole province to a new level.

Song Hanliang

Song Hanliang, the newly-appointed secretary of the Xinjiang Autonomous Regional CPC Committee is of medium height, and dark complexion.

He was a senior engineer who has struggled in Xinjiang's petroleum geological undertaking for more than 3 decades. At the concluding ceremony of the Sixth Plenary Session of the Third Xinjiang Regional CPC Committee on 31 October, he said excitedly: I deeply understand that it is not that I, myself, have acquired some particular ability, but it is because of the need of the party that I am chosen to take up the post of regional party committee secretary. Today it is the best period for the autonomous region, whether in its political or economic situation. On this basis, I shall exert all my effort, shrink from no difficulties, bring forward the spirit of being selfless and honest in performing official duties, which is characteristic of revolutionaries of the older generation, take the lead in improving the party style, and work hard for the further consolidation and development of political stability, national unity, economic prosperity and the continuous improvement of the living standards of people of all nationalities in the autonomous region.

Song Hanliang is now 51, a native of Shaoxing, Zhejiang. On his graduation from the petroleum geology department at Northwest University in 1954, he was appointed to work in Xinjiang, and successively worked in the Sino-Soviet Petroleum Corporation, first as a trainee, then team leader, leader of a specialized group in a research office, geologist of a research institute, and director of a research office. He joined the CPC in 1960. In 1965, he became acting deputy secretary and concurrently director of the Political Department of the Karamay Oil Field Research Institute. In 1973, he was successively deputy-director of the geological section under the Xinjiang Regional Petroleum Administrative Bureau, and deputy chief geologist of the bureau. In 1980, he was successively appointed Standing Committee member of the Xinjiang Regional Petroleum Bureau CPC Committee, deputy bureau chief, and deputy chief geologist of the bureau. In March 1983, he was appointed Standing Committee member of the regional CPC committee and concurrently vice chairman of the regional government. Over the past 30-some years, Comrade Song Hanliang has made contributions to petroleum geological work in Xinjiang, and has accumulated experiences in leading economic and scientific and technological work.

#### Rui Xingwen

Public attention was roused when the news spread that Rui Xingwen, former minister of urban and rural construction and environmental protection was appointed secretary of the Shanghai Municipal CPC Committee in June 1985.

Shanghai's place and role in economic construction throughout the nation is self-explanatory. The responsibility of the secretary of the municipal CPC Committee is really great. In order to live up to the trust of the party and people, Rui Xingwen has long been making preparations. Before he took up the post, he visited Europe, with the aim of inviting some social celebrities, entrepreneurs, and people from commercial circles for talks and soliciting their suggestions in governing Shanghai. When he returned from Europe, he again invited specialists and responsible comrades of all departments concerned, soliciting their advice about invigorating Shanghai.

The 58-year-old Rui Xingwen is a native of Lianshui, Jiangsu. He has a higher educational background. Rui joined the revolution in August 1942, and the CPC in January 1945. Since the founding of the PRC, he has all along worked in the industrial departments. He successively has been vice executive of the Jilin General Corporation under the Ministry of Chemical Industry, executive of Lanzhou No 1 Machinery Installment Corporation, deputy leader of the leading group of the Beijing Petroleum Chemical General Corporation, deputy director of office No 1 under the Ministry of National Defense, and vice minister of the Ministry of Aeronautics Industry until January 1984, when he was appointed deputy director of the State Planning Commission. In July 1984, he was appointed minister of urban and rural construction and environmental protection. In September 1985, he was elected as a CPC Central Committee member at the National Conference of Party Delegates.

Doing practical work and refraining from empty talk is Rui Xingwen's work style, which was shaped over the years. Since he took office in Shanghai, he has not made public any "administrative program," but has devoted his time and effort to investigation and research and going deep among grass-roots units to grasp the situation and experience and and observe people's live.

On 20 June, a few days after he had taken office, he went with other leading comrades to examine work at the Shanghai Petroleum Industrial General Works, and went on to investigate the housing situation of the residents in Tianlin. On 30 June, he personally extended his condolence to those firemen injured in putting out fires at Ruijin and Zhongshan hospitals. On 25 July, he visited the workers and staff of Changfeng shopping arcade and the Shanghai No 10 Iron and Steel Works, investigating their work and life. On 1 August, Shanghai was hit by a typhoon. Rui, and newly appointed Shanghai Mayor Jiang Zeming, promptly went in the storm to the afflicted sector of the city, wading through the flood to observe the disastrous conditions. They made arrangements for flood control and extended their condolences to the afflicted citizens. Rui cleaned up garbage with the sanitation workers. He went to schools to visit the pupils and congratulate the teachers during festivals. After the typhoon, he personally extended his appreciation to the Army units stationed in Shanghai. He conducted heart-to-heart talks with literary, art, and journalism workers.

It is only a little more than 4 months since Rui Xingwen took office in Shanghai, but he has left a deep impression on people of all circles and citizens in Shanghai as being modest, steady, and practical. At present, he is earnestly exploring, together with other leading comrades of the municipal CPC Committee and government, on "what kind of a city should Shanghai be," a topic proposed by the leading comrade of the central authority based on the economic strategy of Shanghai approved by the State Council. Not long ago, at the work conference on municipal construction planning, Rui Xingwen pointed out: The three biggest problems Shanghai citizens want solved are: crowded transportation, housing shortages, and environmental pollution. It is necessary to gradually solve these problems by focusing on building up the infrastructure of the municipality and improving the investment environment. At the Fourth Session of the Sixth Municipal CPPCC, he said: Shanghai's political and economic situation is fine; as long as we refrain from committing mistakes, earnestly study the new conditions, and solve newly emerging problems, such situations will continue to develop favorably.

People hear new hope for Shanghai from his words, which are simple and full of confidence.

JIANGSU PEOPLE'S CONGRESS COMMITTEE SESSION ENDS

OW051104 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 4 Dec 85

[Excerpts] The 16th session of the 6th Jiangsu Provincial People's Congress Standing Committee ended this morning after a 7 and 1/2 day session. The session approved the work regulations of the provincial People's Congress Standing Committee. The session recalled (Zhu Pingchao) as deputy to the NPC, and by-elected (Song Rufen), (Tao Dayong), (Xu Xianzhong), (Zhou Er), (Lu Wenfu), and (Li Yingyan) as deputies to the Sixth NPC. The session also approved appointments and dismissals.

Vice Chairman Wang Bingshi presided over today's plenary session. He said: The session heard Vice Governor Chen Huanyou's report on economic work in 1985. In examining the report, the Standing Committee members held that the provincial government has done voluminous work and scored success in enhancing macrocontrol, promoting reform of the economic structure, and furthering economic development and expanding market supply through implementation of the policy of opening to the outside world and enlivening the domestic economy. The economic situation in Jiangsu Province is good. The provincial government has attached importance to the existing problems in economic work and is actively taking measures to solve them. The report called for improving economic results and boosting exports to earn more foreign exchange in next year's economic work. These two crucial issues are in accord with the guidelines of the Seventh 5-Year Plan. The Standing Committee members also presented many good ideas for economic work such as strengthening leadership over agricultural production, particularly grain production; putting investment in fixed assets under strict control; improving market supply; and controlling commodity prices.

Chairman Chu Jiang and Vice Chairmen Hong Peilin and Li Zhizhong attended the plenary session.

ZHEJIANG OFFICIAL ON 1986 ECONOMIC, SOCIAL PLAN

OW051049 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 4 Dec 85

[Text] At the recently-concluded provincial conference on planned economy, Cheng Jingye, chairman of the Zhejiang Provincial Economic Planning Commission, put forward the following eight projects for Zhejiang's economic and social development in 1986:

1. Continue to restructure the province's agricultural production to ensure steady production in all agricultural quarters.
2. Plan rational industrial growth to achieve better economic results.
3. Strictly curtail investment in fixed assets to ensure the needs of key construction projects and technical transformation projects.
4. Continue to open to the outside world and expand export.
5. Restructure scientific and technical management and educational systems to expedite scientific, technical, and educational development.
6. Improve market supply to ensure the people's needs.
7. Actively and steadily expedite economic reform, particularly that in the urban areas.
8. Step up the systematic study of overall economic development so as to be well prepared for drafting the seventh 5-year social and economic development plan.

GUANGDONG CRACKS MAJOR CASE OF ECONOMIC FRAUD

HK051444 Beijing ZHONGGUO XINWEN SHE in Chinese 1419 GMT 3 Dec 85

[Text] Guangzhou, 3 Dec (ZHONGGUO XINWEN SHE) -- According to a report by YANGCHENG WANBAO, Foshan City recently cracked a case of fraud involving a large sum of money. The prime culprit, Liu Haoran, has been arrested and brought to justice.

Liu Haoran is from Changchun City in Jilin Province. In 1985 [as published], he was sentenced to 3 years' reeducation through labor because of deception. Last summer he fled to Guangzhou and pretended to be a senior retired cadre of the Army. He claimed to be the general manager of the "Yantai branch of the China International Technology Development Company." He also lied that a certain central leading person was the president of the board of directors of the company. He illegally engraved a seal and printed fake credentials. He successively signed more than 100 contracts with 88 units in 17 provinces and cities throughout the country, involving various sums of more than 7.8 billion yuan, \$410 million, 35 million yen, and HK\$2.3 million. By adopting the method of collecting payments in advance, he successively defrauded the units concerned of funds amounting to more than 19.7 million yuan. He personally got 1.03 million yuan, of which more than 400,000 was spent.

Last March, when Liu Haoran was practicing fraud, the industrial and commercial administrative personnel of Foshan City discovered problems with his contracts. After investigations, Liu was proven to be a swindler. The public security bureau of Foshan City arrested Liu Haoran and his confederates according to law. A large amount of illicit money and goods was found and collected from Liu's house. At present the judicial organ is speeding up the work of bringing to trial the criminals in this extraordinarily big case of fraud.

GUANGZHOU PLA SOLVES PROBLEMS IN PARTY CONDUCT

OW050904 Beijing XINHUA Domestic Service in Chinese 0848 GMT 4 Dec 85

[By reporters Zheng Guolian and Lin Ning]

[Text] Guangzhou, 4 Dec (XINHUA) -- After they had basically completed the second-stage party rectification, the corps-level and division-level units under the Guangzhou Military Region did serious remedial work to strengthen weak links, solve unsettled problems, and ensure a successful party rectification. The All-Army Party Rectification Office has transmitted the experience of the Guangzhou Military Region throughout the PLA.

After the corps-level and division-level units completed their party rectification, the party committee of the Guangzhou Military Region dispatched working groups to investigate each unit. At the same time, the corps and the provincial military districts also inspected the division-level units. Generally speaking, the corps-level and division-level units have basically met the party rectification requirements. However, some units failed to solve some problems thoroughly, such as the problem of democratic centralism in the party committees, of unity among party committee members, and the problem of failure to investigate and deal with new unhealthy practices and certain leading cadres use of power for personal gain. Eight units have more problems than others. In order to ensure a successful party rectification, the party committee of the military region has called on the immediately higher-level party committees of the eight units to dispatch capable working groups to help the units do specific remedial work. The party committee of the military region has also urged other units to strengthen their weak links and take measures to solve unsettled problems well.

During the party rectification, the Guilin City People's Armed Forces Department failed to examine seriously its problem of violating production and business operation policies. Therefore, the Guangxi Military District dispatched a working group to help the civilian department investigate the violation, make a serious analysis of the case, and find out who is to blame. The People's Armed Forces Department has punished the offenders and ensured that those who should make restitution for what they stole have done so. After summing up experience and lessons, the department has enhanced its ideological understanding. A working group led by the leading cadres of the Guangdong Military District helped the Shaoguan Military Subdistrict do remedial work after the party rectification. Considering that the leading cadres of the military subdistrict rebuilt a hotel into individual houses and the floor space of each house exceeded the size to which an individual is entitled, the working group organized them to study the party Central Committee's documents calling on leading cadres to take the lead in improving party conduct. After comparing their conduct with the guidelines of the documents, the leading cadres of the military subdistrict have enhanced their understanding and decided to turn the rebuilt houses back into a hostel and continue to live in their present houses.

Some units that did party rectification well but did not do enough in a certain step of the work have also conscientiously examined their problems and have done remedial work. In order to solve some problems among the troops, the party committee of an army group has checked the thinking and working style of the leading cadres to find the causes of the problems, and it has adopted some corrective measures. During the party rectification, a corps-level unit failed to solve thoroughly a problem regarding the lack of a democratic work style. The unit's party committee has seriously held meetings on democratic life at which the secretary and deputy secretaries of the party committee took the lead in self-criticism, and it has thus solved the problem quite satisfactorily.

#### SHENZHEN'S LIANG XIANG ON IMPORT OF TECHNOLOGY

HK031217 Beijing ZHONGGUO XINWEN SHE in Chinese 0143 GMT 28 Nov 85

[Text] Shenzhen, 28 Nov (ZHONGGUO XINWEN SHE) -- Yesterday, at a city conference on scientific and technological work, Secretary Liang Xiang of the Shenzhen City CPC Committee said that since its founding, the Shenzhen Special Economic Zone has imported more than 30,000 pieces (sets) of instruments and facilities and introduced technology and scientific management methods. Some types of technology have been assimilated and transformed and are now being gradually transferred to the mainland.

The advanced technology and facilities imported have enabled Shenzhen to develop its production. In the past, it could only produce such inexpensive goods as radios, loudspeakers, and simple farm implements. Now it can produce such advanced products as expensive cassette recorders, television sets, computers, programmed switchboards, ground stations, robots, and so on. Liang Xizang said: In importing technology and facilities, Shenzhen has to solve the problems of the import of many complete sets of facilities but few software technologies, of the import of technologies that are more often up to the country's advanced standards than up to advanced international standards, of the import of more unrelated technologies but few technologies that can form technological or production systems, and of the import of many facilities for the production of daily consumer goods but few facilities for the production of industrial products.

Liang Xiang pointed out: Shenzhen should become a center for the exchange and circulation of advanced technologies between the country and the world in order to facilitate the "influx" of technology and knowledge. In the future, in introducing technologies, we should concentrate our efforts on two things: First, we should combine enterprise operations with commerce and import both software technology and hardware; second, we should devote further efforts to the assimilation, development, and transformation of imported technologies.

HENAN RUNS LAW STUDY CLASS FOR LEADING CADRES

HK041311 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 2 Dec 85

[Excerpts] A study class jointly run by the provincial CPC Committee Propaganda Department, the CPC Committee of provincial organs, and the provincial Judicial Department for leading cadres at and above provincial department and bureau chief level in popularizing basic law knowledge, opened at the meeting room of the provincial people's hall yesterday morning. Yang Xizong, secretary of the provincial CPC Committee, delivered a speech at the opening ceremony.

Comrade Yang Xizong said that while developing social productive force, our current task is to strengthen the building of our socialist regime, and to build China into a country with a high degree of democracy and civilization. In order to attain this target, in addition to conducting ideological education, we must make socialist democracy a law and a system.

On democracy and rule by law, Comrade Yang Xizong said that democracy and rule by law cannot be separated. All of our comrades must cultivate a democratic style, must not deal with people in a high-handed way and must not let one lay down the law. We must accept different opinions and listen to the facts.

Comrade Yang Xizong also said that developing a socialist commodity economy is an important matter and there is much to be learned. Carrying forward socialist democracy, perfecting the socialist legal system, and properly building our socialist regime are also important matters and there is also much to be learned in doing so. The central authorities have time and again stressed that in doing economic work, we must gradually switch from the previous pattern of relying mainly on administrative means to relying on economic means and economic legislation. It is not a good thing that leading cadres know nothing about law.

In conclusion Comrade Yang Xizong pointed out that we must realize that China is a country with a feudal history of several thousand years, and that there have been many feudal and despotic traditions, but few traditions of democracy and rule by law. For this reason, the masses or even the cadres have a weak sense of democracy and rule by law. There are many cadres who know nothing about law. A handful of cadres have the special privilege mentality, believing that law is used only to administer the masses, not for officials. The key to popularizing basic law knowledge lies in leading cadres. Although we are leading cadres, we must be sincere pupils in learning law and must set an example in learning and abiding by law, in propagating rule by law and in acting in accordance with law.

Hou Zhiying, Director of the Propaganda Department of the provincial CPC Committee, presided over yesterday morning's opening ceremony. Also attending the opening ceremony was Song Zhaosu, Standing Committee member of the provincial CPC Committee and secretary of the provincial Political and Legal Commission.

HENAN REPORT ALLEGES SEX DISCRIMINATION

HK031242 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 28 Nov 85

[Text] The provincial CPC Committee office recently distributed an investigation report by the leading party group of the provincial women's federation on sex discrimination in the areas of promotion and recruitment.

The investigation report pointed out: Because of longstanding and traditional prejudice and the force of old habit, some departments and units still follow in varying degrees the practice of prejudice or even discrimination against women in the areas of recruiting students and workers, promotion, assigning jobs to university graduates, distributing houses, distributing land, and property inheritance. The major manifestations are:

First, the percentage of female cadres in the composition of leading groups is on the low side. Many departments and units still do not have a female cadre in their leading groups.

Second, the assignment of jobs to female graduates in the urban areas has become difficult work. Over the past 2 years, about 70 to 80 percent of units in need of personnel have selected only male graduates, giving various pretexts for not selecting females. Some of them even openly refuse to recruit female graduates.

Third, there is prejudice against females when recruiting students and workers. Most units are not willing to hire female workers, so that there is a problem of finding jobs for unemployed female youths.

Fourth, there is the phenomenon of inequality in some factories, mines, and enterprises when distributing houses. Many units distribute houses by focusing on male workers, but deprive female workers of their rights.

Fifth, some localities discriminate against females when distributing land.

Sixth, some women still cannot have their property inheritance rights properly protected.

Seventh, the problem of female students discontinuing their studies is quite serious in the rural areas. Therefore, the number of young illiterate women has sharply increased.

In connection with these problems, the leading party group of the provincial women's federation suggested that the party committees and governments at various levels should further attach importance to the issue of women's rights. They should strengthen their leadership and really solve all existing problems. The departments concerned should adopt specific measures to protect the legitimate rights of women. Governments at various levels, as well as departments in charge of organization, labor and personnel affairs, and so on, should, in connection with their operation, formulate specific rules, and realize the principle of treating men and women equally without discrimination in all sectors of society. All units must strengthen the ideological and political work among women, so as to heighten their understanding.

When distributing the investigation report, the provincial CPC Committee office pointed out in a circular: In the final analysis, the issue of women's rights is an important social problem that really deserves the attention of the whole party and society. Party organizations at various levels must strengthen their leadership over women's rights, and work out practical measures to deal with the problem of inequality. They should grasp the work in a down-to-earth manner and give full play to the role of women in the work of building the two civilizations.

BOAT ACCIDENT CULPRITS SENTENCED TO DEATH, PRISON

OW051314 Beijing XINHUA Domestic Service in Chinese 1522 GMT 4 Dec 85

[By reporter You Chongxia]

[Beijing XINHUA Domestic Service in Chinese at 0756 GMT on 5 December transmits a "public notice," requesting all newspapers to "temporarily hold" the following item.]

[Text] Harbin, 4 Dec (XINHUA) -- The Harbin City Intermediate People's Court from 2 to 3 December held a public trial of the culprits and those chiefly responsible for a grave ferry accident on 18 August. Qu Shuting, chief culprit of the accident and a hooligan, was sentenced to death and deprived of political rights for life; Wu Yundong, chief culprit of the accident and a hooligan, was sentenced to death with a 2-year reprieve and deprived of political rights for life; and Zhang Hongren and five other culprits were given prison terms for committing traffic violations and for dereliction of duty.

At about 1500 on 18 August this year, the Harbin City shipping company's ferryboat No 423 left Songhua Jiang north pier for the south pier, seriously overloaded. Because the boat pilot was absent, Engineman Zhang Hongren took the helm without permission. Qu Shuting and Wu Yundong, previously convicted of hooliganism, started making trouble on the deck near the stern, paying no heed to the advice of security personnel. Hearing the noise, Zhang Hongren, who was piloting the boat, joined the quarrel. At soon as his hands were off the wheel, the boat lost balance, suddenly listing to port. Water gushed into the port rear cabin. Despite measures taken by Zhang Hongren, the situation could not be remedied. Ferryboat No 423 capsized and all the 238 passengers were thrown off. Through active rescue efforts 67 persons were saved, but 161 drowned and 10 are missing. The immediate economic losses totaled 1.19 million yuan.

Culprit Zhang Hongren was given 7 years in prison for piloting the boat under the influence of alcohol and abandoning the helm to join in the quarrel, causing the capsizing of the ferry, a serious consequence that constituted a traffic violation. Culprit Li Guangzhou was sentenced to 5 years in prison for leaving his job as pilot of the boat and handing the job over to Zhang Hongren without permission and, since the boat sailed without a pilot, causing a grave accident. This constituted the crime of dereliction of duty.

Liu Guocheng, former manager of the Harbin City Shipping Company, was sentenced to 5 years in prison for dereliction of duty. Xu Zuoxi, secretary of the general party branch of the company; Fang Jinwang, captain; and Lu Boqing, co-captain of the company's passenger transport team were each sentenced to 4 years in prison for dereliction of duty.

FOUR MILITARY SUBDISTRICTS ESTABLISHED IN JILIN

SK020625 Changchun Jilin Provincial Service in Mandarin 2200 GMT 30 Nov 85

[Text] According to an official written reply of the Central Military Commission and order of the Shengyang Military Region, the PLA Gongzhuling Military Subdistrict, Liaoyuan Military Subdistrict, Meihekou Military Subdistrict, and Hunjiang Military Subdistrict of Jilin Province proclaimed their founding on 30 November. Beginning 1 December, they will implement the policy decisions of the units at the divisional level, and perform their internal and external duties.

The establishment of these four military subdistricts was an important component part of the provincial military district's fulfillment of the Central Military Commission's strategic policy decision on Army restructuring, streamlining and reorganization. Their establishment will enable the military systems of these four areas to conform to their administrative divisions and the demands of their urban reform, will vitalize the building of reserve forces of the province's militia, and stimulate the balanced economic, political, and military development of these four areas.

LIAONING CONGRESS STANDING COMMITTEE MEETING ENDS

SK030424 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 2 Dec 85

[Excerpts] The 17th Standing Committee meeting of the 6th provincial People's Congress concluded in Shenyang City on the afternoon of 2 December. The meeting concentrated on studying and discussing the spirit of the National Conference of Party Delegates, heard the three reports given by the provincial people's government with regard to family planning and other aspects, examined and approved the province's provisions on forbidding gambling and the resolution on further implementing the PRC's law concerning management of medicines, and examined and approved other resolutions concerning personnel changes and various other issues.

The meeting decided to accept the resignations submitted by Li Ming, (Fang Zheng), (Sun Jinghan), (Shen Liu), and (Liang Xiu), Standing Committee members of the sixth provincial People's Congress, because of their age, and to extend respects to their contributions scored in the long revolutionary struggle and the work of the congress.

Comrade Sun Qi has been transferred from the provincial people's government to the provincial CPC Committee. In line with the appeal of Governor Quan Shuren, the meeting decided to dismiss him from the post of vice governor.

Wang Guangzhong, vice chairman of the provincial People's Congress Standing Committee, presided over yesterday's session and delivered a speech. Attending the session were vice chairmen of the provincial People's Congress Standing Committee, including Xie Huangtian, Zhang Tiejun, Luo Erkang, Tang Hongguang, Gu Jinxin, Liu Zenghao, and Feng Yousong. Bai Lichen, vice governor of the province, was among those who attended the session as observers.

QINGHAI BOOSTS AGRICULTURE PRODUCTION

HK060250 Xining Qinghai Provincial Service in Mandarin 2330 GMT 3 Dec 85

[Text] The province boosted agricultural production during the Sixth 5-Year Plan by setting all-time high records in agricultural output value, grain output, and annual per capita income of peasants and herdsmen. The province's agricultural structure has become increasingly rational. More and more of the rural labor force have turned to non-farming work. Farming is moving toward specialization and large-scale commodity production. During the Sixth 5-Year Plan, the province instituted the production responsibility system on a household basis and with payment linked to output in an all-round way, thus greatly arousing the enthusiasm of the peasants for developing production. This, together with the promotion of agricultural science and technology, has resulted in continuous development of productive forces. The grain output and the per capita income of peasants have increased rapidly. The grain output of the province for 1983 was 1.938 billion jin, and the annual per capita income of peasants and herdsmen for 1983 was 252 yuan. The grain output of the province for 1984 exceeded 2 billion jin and the annual per capita income of peasants and herdsmen was 294 yuan. The province has reaped bumper harvests in oil-bearing crops for 3 consecutive years since 1982. Town and township enterprises have developed rapidly at an annual growth rate of 13.8 percent. During the Sixth 5-Year Plan, the province's farming and animal husbandry developed steadily, and the proportion of the output value of forestry, animal husbandry and fishery in the total agricultural output value has increased year by year. Rural laborers have started to do nonfarming work and farming is moving toward specialization and large-scale commodity production. There are now 74,000 various types of specialized households in the province, accounting for 14.8 percent of total peasant households. About 58 percent of staff and workers of state-run farms have contracted for household farms.

XIAN COLLEGES MARK DECEMBER 9TH MOVEMENT

HK040147 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 3 Dec 85

[Excerpts] A number of institutes of higher education in the Xian area have adopted a variety of forms to mark the 50th anniversary of the December 9th Movement. Since mid-November, Xian Communications University, Xian Medical University, Northwest Industrial University, Northwest Political and Legal College and other colleges have held forums, academic report meetings, competitions in speech-making on ideals and discipline, and so on in connection with the anniversary celebrations, so as to conduct education for the students in revolutionary traditions and help them to understand the historic role of contemporary youth.

The students of Xian Communications University all declared: The December 9th Movement was a patriotic movement of national salvation launched by young people and students under the leadership of the CPC 50 years ago. Today, in the new historical period of opening up to the world and invigorating the domestic economy, it is only under party leadership that the younger generation, shouldering the glorious task of building the four modernizations and rejuvenating China, can make useful contributions to the people and the state. The students at colleges in the Xian area have also received profound and vivid education in the situation and policies through commemorating the December 9th Movement. They said: The political and economic situation in our country is very good. Certain malpractices in the party and in society are gradually being corrected. Every person and every youth should talk less and do more and take practical action to spur a turn for the better in the social mood and preserve the political situation of stability and unity. In view of the fact that some people in society have a weak concept of the legal system, a number of students at the Northwest Political and Legal College went out on the streets during their days off to carry out legal consultative work and propaganda in the legal system, contributing to popularizing knowledge of law.

COMMENTARY NOTES CAUSES OF PRC STUDENT UNREST

OW051040 Taipei International Service in English 0200 GMT 5 Dec 85

[Station commentary]

[Text] Student demonstrations against what is supposed to be Japanese exploitation have taken place in four cities on the Chinese mainland since last September. For the past several weeks, the Peking regime has been busy trying to stop the growing campus unrest. Aside from daily propaganda outpouring, party official press calling on the students to behave well, and frequent meetings with student representatives, the Communist Youth League convened an extraordinary conference last week to change the leadership of its Central Committee. Peking also took measures to improve food for college students.

Judging from the flurry of activities in connection with the development, it is apparent that the Chinese Communist authorities are worrying about something more serious than the rise of anti-Japanese sentiment. As a matter of fact, every indication shows that the unfolding campus unrest on the Chinese mainland is directed more at the corrupt rule of the Peking regime than at trade deficit with Japan. In other words, college students on the mainland have used the protest against Japan as a pretext to voice their anger at the communist dictatorship and its widespread corruption and abuse of power.

According to the PEOPLE'S DAILY and CHINA YOUTH NEWS, during a meeting between a regional participant in the 1935 student demonstration against Japanese occupation of north China and the students of Peking University, the latter made a lot of complaints. The PEOPLE'S DAILY quoted one student as saying that people are dissatisfied with unhealthy tendencies within the party, including corruption, illegal activities, fraud, and embezzlement.

Radio Peking confirmed the student discontent last Monday night in a news broadcast reporting a meeting between the Central Consultative Council and 120 college professors and students. The broadcast said: The student representatives aired the following views in a 9-hour discussion: That there is neither liberty nor democracy on the Chinese mainland, that the communist rulers do not trust the youths, that students on the mainland have no confidence in the Tengist reforms, that the students consider the situation intolerable because of the various perversities of the communist rulers, that the Chinese mainland is still very backward in every respect after 35 years of communist rule, that there is a great disparity between the level of science and technological development on the mainland and that in the West, and, finally, that the students condemn the corrupt and inefficient personnel system of the communist regime.

From the students' complaints and the growing campus unrest one can see that the Tengist renewed call for stepped up ideological indoctrination of the mainland youths has failed to work, and that the Tengist reforms have failed to stand the rising confidence crisis. So, the communist rulers have every reason to be deeply disturbed by the campus unrest. The question is: Can it be stopped?

EDITORIALS WARN OF GROWING PRC-NICARAGUA TIES

OW051114 Taipei CNA in English 1040 GMT 5 Dec 85

[Text] Taipei, Dec. 5 (CNA) -- A leading Taipei newspaper Thursday called on the free world to watch the latest Communist Chinese diplomatic offensive in Central America.

The UNITED DAILY NEWS said editorially that the Peiping regime has been stepping up contacts with Nicaragua in recent months. A high-ranking Nicaraguan Government delegation is currently visiting the Chinese mainland. During the visit, the editorial said, the Nicaraguans might talk with the Chinese Communists on the establishment of diplomatic relations. If the two parties set up formal ties, the paper noted, it would not only undermine relations between the Republic of China and Nicaragua but also threaten stability in the Caribbean region.

The paper warned that Peiping could use Nicaragua as a bridgehead to expand its influence in the region. It thus called on the United States and other Central American nations to take precautionary measures to cope with the possible changes.

In the meantime, the CENTRAL DAILY NEWS said in an editorial that confidence crisis on the Chinese mainland has worsened recently. Quoting communist publications, including PEOPLE'S DAILY and RED FLAG, the paper said a majority of mainland people are opposed to Marxism-Leninism and Maoism.

The paper also quoted THE WASHINGTON POST and TIME magazine as saying that more and more mainland workers have turned to believing the superiority of capitalism over socialism and that many students are staging protest demonstrations against favoritism and corruption, as well as calling for democracy. The paper predicted that the simmering student unrest could stir rampant chaos on the mainland and eventually topple the communist regime.

#### FOREIGN MINISTRY ON MEMBERSHIP IN ASIAN BANK

OW290337 Taipei CNA in English 0259 GMT 29 Nov 85

[Text] Taipei, Nov. 27 (CNA) -- The Foreign Ministry Thursday issued a statement on the Republic of China's membership in the Asian Development Bank, stressing that the ROC's name, interests and rights in this regional banking organization should never be affected under any circumstances. The ministry said it hopes that the ADB will adhere to ADB's regulations when considering Red China's application to become a member of the bank, and will work out a fair and rational solution to this issue. A spokesman for the Foreign Ministry, in response to a press inquiry, reiterated the government's position on ROC's membership in ADB. He said that ADB authorities and Red Chinese officials have held many meetings to discuss Red China's application to enter the bank since the ADB held its annual meeting in Bangkok last spring. On Nov. 28, ADB said it had received Red China application to become an ADB member. The ROC Government has sent Hsieh Sen-chung and Huang Chuang-li to meet with ADB officials in Manila recently to reiterate the ROC's stand on its membership.

He said that the ROC's stand on this issue are as follows:

-- ADB is a non-political and regional monetary organization. Its Constitution has stated very clearly that no political factors should affect the bank's decisions, and that the application of a new member should never affect the status and interests of an incumbent member. The ROC is one of the founders of the ADB who has been faithfully following all ADB regulations. Since the ROC's contributions to the bank have been widely recognized, there is no reason to change the ROC's membership or its name in the bank; and

-- ADB, in its decision on or arrangement for Red China's application, must observe all regulations it has made in the past. The ROC Government will never accept any ADB decision which is in violation of ADB's agreement and regulations or affects ROC's status, name or interests in the bank. It is hoped that the ADB authorities will work out a fair and rational solution to this issue.

COMMENTARY DENIES EXISTENCE OF MARTIAL LAW

OWO40901 Taipei International Service in English 0200 GMT 4 Dec 85

[Station commentary]

[Text] Foreigners and visitors to the Republic of China have no reason to raise the question of whether Taiwan has martial law. To all intents and purposes, it does not. No troops and tanks patrol the streets. There is no curfew. Except for the necessity of obtaining a permit to visit high mountain areas for the sake of security, there are no restrictions on the movement of the people, whether foreigners or citizens. Free speech obtains universality. Anything and everything can be discussed freely, including criticism of the government.

Yet some correspondents and a few critics of free China sometimes raise the question of martial law and assert that the nearly 20 million people of the province live under military control and are tried by military court martial. Independent members of the Legislative Yuan also sometimes mention martial law in an attempt to make the government look bad or autocratic. This may be mere politics. But it has regrettable repercussions abroad. People who have never been to Taiwan are easily persuaded that the island province is a Lebanese-style place with all sorts of dangers stalking the streets.

What is the truth behind these allegations? Martial law actually does not exist. The reference is to chieh yen or the national security law. Many people do not realize that the ROC is under continuing and ever-present threat from the Chinese Communists. Leaders on the mainland have never renounced their intention to use force in undertaking to reunify China and force the people of Taiwan into the straitjacket of communism. Chieh yen affords protection against communist infiltration and subversion. The statute is aimed at sedition and even treason. It has no effect on the overwhelming majority of free and loyal citizens.

Sedition and the like are illegal in any country. Even the United States has enacted special legislation against anti-American crime in times of crisis. Although invisible most of the time, the communist effort to bore from within Taiwan never ceases. The national security law makes it possible to move against the enemies of freedom more quickly and effectively. Perpetrators of acts of sedition may be tried by the military court. However, they are given the same rights as those accorded in civil cases, including that of appeal.

Chieh yen safeguards the rights and freedom of ordinary citizens and protects democracy in the ROC. This is part of free China's rule of law. Even the seditionist is guaranteed protection against the arbitrary use of power. What some call martial law bears no resemblance to that enforced by some undemocratic countries.

As Premier Yu Kuo-hua once told the Legislative Yuan, chieh yen can be described as a law with top priority but a low impact. It does not restrict any legal activities of the people, or those of foreigners for the matter. Only those advocating the overthrow of the ROC Government by force and violence are affected. Fortunately, there are not many as such. Sedition trials by court martial are infrequent. When the law is invoked, as in the Kaohsiung incident of a few years ago, it provides an undeniable rationale for its existence. Without such protection, life in the ROC would be a great deal more dangerous and less free.

**END OF**

**FICHE**

**DATE FILMED**

**09 DEC 85**

